ESTER
INDUSTRIES LTD.
CIN : L24111UR1985PLC015063

QUALITY SYSTEMS CERTIFICATION DNV·GL ISO 9001

Date: 03rd October, 2017

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051

Subject : Annual Report for the year 2016-17

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we are enclosing herewith Annual Report for the financial year 2016-17 duly approved and adopted by the members of the company.

Please acknowledge the receipt of the same.

Thanking You

Yours Faithfully

For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

ESTER INDUSTRIES LTD. Block-A Plot No-11 Infocity-1, Sector-33 & 34 Gurgaon 122001 Haryana

Encls: As above

31st Annual Report 2016-17

Ester Industries Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS	MR. ARVIND SINGHANIA	CHAIRMAN & CEO
	MR. ASHOK NEWATIA	INDEPENDENT DIRECTOR
	MR. M. S. RAMACHANDRAN	INDEPENDENT DIRECTOR
	MR. DINESH CHANDRA KOTHARI	INDEPENDENT DIRECTOR
	DR. ANAND CHAND BURMAN	INDEPENDENT DIRECTOR
	MR. P. S. DASGUPTA	INDEPENDENT DIRECTOR
	MR. SANDEEP DINODIA	INDEPENDENT DIRECTOR
	MRS. ARCHANA SINGHANIA	NON - EXECUTIVE DIRECTOR
	MR. PRADEEP KUMAR RUSTAGI	EXECUTIVE DIRECTOR & CFO
COMPANY SECRETARY	MR. DIWAKER DINESH	
STATUTORY AUDITORS	M/S S.R. BATLIBOI & CO. LLP, GURGAON	
LENDERS	BANK OF INDIA	
	BANK OF BARODA	
	UNION BANK OF INDIA	
	CANARA BANK	
	STATE BANK OF INDIA	
	TATA CAPITAL FINANCIAL SERVICES LIMITED	
HEAD OFFICE	PLOT NO. 11, BLOCK-A, INFOCITY-I, SECTOR - 34, GURGAON-122001, HARYANA	
REGISTERED OFFICE & WORKS	SOHAN NAGAR, P.O. CHARUBETA KHATIMA – 262 308, DISTRICT UDHAM SINGH NAGAR UTTARAKHAND	
REGISTRAR & SHARE TRANSFER AGENTS	MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II NEW DELHI – 110 020	
LISTING OF SECURITIES	BSE LIMITED NATIONAL STOCK EXCHANGE OF INDIA LIMITED	

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NECS Mandate Form

E-communication Registration Form

ESTER INDUSTRIES LTD.

CIN: L24111UR1985PLC015063
Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158
Website – www.esterindustries.com, Email – investor@ester.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st ANNUAL GENERAL MEETING (AGM) of ESTER INDUSTRIES LIMITED will be held on Monday, 4th September, 2017 at 10:30 AM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2017 and the Profit and Loss account for the year ended on that date together with the reports of Directors and Auditors thereon
2. To appoint a Director in place of Mr. Arvind Singhania (DIN 00934017) who retires by rotation and being eligible, offers himself for re-appointment;
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for appointment of new Statutory Auditors in place of retiring Auditors:-

   "**RESOLVED THAT** subject to the provisions of Section 139, 140 & 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Walker Chandiok & Co LLP (Registration No. 001076N/N500013), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years i.e. from the conclusion of this Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM) in place of the retiring Auditors, M/s. S. R. Batliboi & Co. LLP (Regn. No. 301003E/E300005), at a remuneration to be fixed by the Board of Directors."

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

As Ordinary Resolution

4. **RATIFICATION OF REMUNERATION FIXED FOR COST AUDITOR OF THE COMPANY**

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force) a Remuneration of Rs. 3,00,000/- (Rupees Three Lacs Only) plus applicable taxes and out of pocket expenses payable to M/s. R. J. Goel & Co. (Regn. No. 00026), the Cost Auditor of the Company for the financial year 2017-18, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified."

5. **COMMISSION ON PROFITS TO NON-EXECUTIVE DIRECTOR OF THE COMPANY**

   "RESOLVED THAT pursuant to Section 197, 198 and all other applicable provisions and rules made thereunder, if any, of the Companies Act, 2013 ("the Act") and Regulation 17(6) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the shareholders be and is hereby accorded for the payment of commission to the Non-Executive Directors upto the maximum limit of 1% of net profits computed in the manner specified in the Act for a period of five years from the Financial Year commencing 1st April, 2018, in such manner and upto such extent as the Board of Directors may, time to time, determine.

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

As Special Resolution

6. **RE-APPOINTMENT OF MR. ARVIND SINGHANIA AS MANAGING DIRECTOR OF THE COMPANY**

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), subject to the approval of the Central Government, if required, Mr. Arvind Singhania (DIN 00934017) be and is hereby re-appointed as "Managing Director" and designated as "Chairman and CEO", on the terms and conditions mentioned below–

   A) PERIOD OF RE-APPOINTMENT

   From 1st April, 2017 to 31st March, 2020.

   B) DETAILS OF REMUNERATION

   1. Basic Salary – Rs. 6,66,667/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 12,00,000/- per month
   2. House Rent Allowance – Rs. 3,33,334/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 6,00,000/- per month
   3. Special Allowance –Rs. 1,00,000/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs 6,00,000/- per month
   4. Leave Travel Allowance – Rs. 6,66,600/- per year with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 12,00,000/- per year

5. Medical Reimbursement – Rs. 1250/- per month
6. Provident Fund – 12% of Basic Salary or such other amount as may be prescribed by the provision of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 or any other applicable law (including any statutory modification or re-enactment thereof, for the time being in force).
7. Gratuity shall be payable as per the provisions of the Payment of Gratuity Act, 1972 or any other applicable law (including any statutory modification or re-enactment thereof, for the time being in force).
8. Company maintained car with Driver shall be provided by the Company for official and personal use.
9. Reimbursement for expenses pertaining to Business attire, Business Meeting and entertainment, traveling and all other expenses incurred by him for the business of the Company as per the policy of the Company
10. Apart from the above Mr. Arvind Singhania shall be entitled such other reimbursements, allowances, incentives, perquisites, amenities and benefits as per the policy of the Company as applicable on employees of the Company from time to time or any other allowance, perquisites as the Board may, from time to time, decide.

    The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

    Commission – Subject to the provisions of Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), Commission may be paid in addition to above remuneration calculated with reference to the net profits of the company in a particular year, as may be determined by the Board of the Directors of the Company at the end of each financial year

    Overall Remuneration - The aggregate of the remuneration, commission and perquisites as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or otherwise as may be permissible by law.

    Sitting Fees - Mr. Arvind Singhania shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

    Retirement by Rotation - The period of office of Mr. Arvind Singhania shall be liable for determination by way of retirement by rotation.

RESOLVED FURTHER THAT if Company has no profits or its profits are inadequate in any financial year, the remuneration will be paid to Mr. Arvind Singhania subject to the requirements and remuneration limits as prescribed in Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT subject to the limit prescribed above, Board of Directors may from time to time, increase remuneration of Mr. Arvind Singhania and review, alter or vary designation, component and structure of the remuneration and other terms and conditions of his appointment, as mutually agreed with Mr. Arvind Singhania, without the approval of the shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign such documents or papers as may be necessary, file such applications, forms and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable to give effect the above resolutions."

7. RE-APPOINTMENT OF MR. PRADEEP KUMAR RUSTAGI AS WHOLE-TIME DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), subject to the approval of Central Government, if required, Mr. Pradeep Kumar Rustagi (DIN 00879345) be and is hereby re-appointed as "Whole-time Director" and designated as "Executive Director & CFO" , on the terms and conditions mentioned below–

A) PERIOD OF RE-APPOINTMENT

From 1st April, 2017 to 31st March, 2020.

B) DETAILS OF REMUNERATION

1. Basic Salary – Rs 3,33,500/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 5,00,000/- per month
2. House Rent Allowance – Rs. 1,66,750/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 2,50,000/- per month
3. Special Allowance –Rs. 2,19,480/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs 4,00,000/- per month
4. Leave Travel Allowance – Rs. 1,50,000/- per year with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 5,00,000/- per year
5. Medical Reimbursement – Rs. 1250/- per month
6. Encashment of leave as per the policy of the Company.
7. Company's contribution to Provident Fund, Superannuation Fund, as per Company Policy applicable time to time.
8. Gratuity shall be payable as per the provisions of the Payment of Gratuity Act, 1972 or any other applicable law (including any statutory modification or re-enactment thereof, for the time being in force).
9. Reimbursement for expenses pertaining to Business attire, Business Meeting and entertainment, traveling and all other expenses incurred by him for the business of the Company as per the policy of the Company

10. Company maintained car with Driver shall be provided by the Company for official and personal use.

11. Performance Linked Incentives as per the policy of the Company as applicable time to time.

12. Apart from the above Mr. Pradeep Kumar Rustagi shall be entitled to such other reimbursements, allowances, incentives, perquisites, amenities and benefits as per the policy of the Company as applicable on employees of the Company from time to time or any other allowance, perquisites as the Board may, from time to time, decide.

Sitting Fees - Mr. Pradeep Kumar Rustagi shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

Retirement by Rotations - The period of office of Mr. Pradeep Kumar Rustagi shall be liable to be determined by retirement by rotation.

Overall Remuneration - The aggregate of the remuneration, commission and perquisites as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or otherwise as may be permissible by law.

RESOLVED FURTHER THAT if Company has no profits or its profits are inadequate in any financial year, the remuneration will be paid to Mr. Pradeep Kumar Rustagi subject to the requirements and remuneration limits as prescribed in Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT subject to the limit prescribed above, Board of Directors may from time to time, increase remuneration of Mr. Pradeep Kumar Rustagi and review, alter or vary designation, component and structure of the remuneration and other terms and conditions of his appointment, as mutually agreed with Mr. Pradeep Kumar Rustagi, without the approval of the shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign such documents or papers as may be necessary, file such applications, forms and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable to give effect the above resolutions."

By Order of the Board of Directors
For Ester Industries Limited
Sd/-
Diwaker Dinesh
Company Secretary
(Membership No.: A22282)

Place : New Delhi
Date : 2nd June, 2017

NOTES

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

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

2. Additional information pursuant to SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/ reappointment as mentioned under item no. 2, 6 and 7 at the annual general meeting forms part of this Notice.

3. The Register of Member and Share Transfer Books will remain closed from Tuesday, 29th August, 2017 to Monday, 4th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

4. A route map showing directions to reach the venue of the Annual General Meeting forms part of this Notice.

5. The Board of Directors has not recommended any Dividend for the financial year 2016-17.

6. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

7. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

8. Members are requested to notify immediately:

I. In case shares are held in physical form: any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, India or to the Registrar and Share Transfer Agent of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi- 110 020 quoting their folio number.

II. In case shares are held in dematerialised form: any change in address, if any, to their Depository Participants

9. Members/Proxies should bring Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

10. Members desiring any information on the accounts are required to write to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, India at least 7 days before the Meeting

so as to enable the management to keep the information ready. Replies will be provided only at the Meeting.

11. All the documents referred to in the accompanying Notice are open for inspection in physical or electronic form at Registered Office of the Company and copies of these documents will also be available for inspection at the Head Office (Corporate Office) in physical or electronic form, during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting. Such documents will be available for inspection during the meeting also.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

13. Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares).

14. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 31st Annual General Meeting of the Company inter-alia indicating the process and manner of e- voting along with Annual Report is being sent through the permitted mode.

15. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for the financial year ended on 31.03.2017 will also be available on the Company's website **www.esterindustries.com** for their download. Even after registering for e- communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: **investor@ester.in.**

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS Services Limited (Registrar & Share Transfer Agent).

17. As per SEBI Circular dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.

18. Pursuant to provisions of Section 125 of the Companies Act, 2013 (erstwhile section 205C of the Companies Act, 1956) the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred such unpaid or unclaimed dividends from time to time on due dates, to IEPF.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 24th September, 2016 (date of last Annual General Meeting) on the website of the Company viz. **www.esterindustries.com** and also on the website of the Ministry of Corporate Affairs viz. **www.iepf.gov.in**

In terms of Section 124 of the Companies Act, 2013 and IEPF rules related thereto, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. The shareholders whose amounts and shares would be transferred to IEPF as above, would be entitled to get refund of the dividend and claim the transfer of shares from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

19. VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	9:00 AM, Friday, 1st September, 2017
End of E-voting	5:00 PM, Sunday, 3rd September, 2017

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

II. The facility for voting through ballot paper/venue e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper/venue e-voting.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the Annual General Meeting.

IV. The remote e-voting period commences on **9.00 AM, Friday, 1st September, 2017 and ends on 5.00 PM, Sunday, 3rd September, 2017.** The remote e-voting module shall be blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **Monday, 28th August, 2017(Cutoff date).** Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper/venue e-voting at the AGM. Any person, who acquires shares of the Company and

become Member of the Company after dispatch of the Notice and holding shares as on the cutoff date i.e. Monday, 28th August, 2017, may follow the same instructions as mentioned in the notice for e-Voting. If a person who was not a member of the Company as on the cut-off date shall treat this Notice for information purpose only.

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

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

(i) Log on to the e-voting website **www.evotingindia.com**

(ii) Click on Shareholders/Members.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user or holding share in physical form follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e- voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.

(x) Click on the EVSN of Ester Industries Limited.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app M-Voting. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com**. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or contact Mr. Rakesh Dalvi, Deputy Manager of CDSL, 16th Floor, P.J. Towers, Dalal Street, Mumbai-400001, Ph.: 18002005533, write an email to **helpdesk.evoting@cdslindia.com.**

20. Mr. Akash Jain, Company Secretary in Practice (Membership No. 22735 and COP No. 9432) has been appointed as the Scrutinizer

to scrutinize the e-voting and poll process in a fair and transparent manner.

21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of poll paper/venue e-voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

22. The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and submit not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, to the Chairman or a person/ a director authorized by him/the Board in writing who shall countersign the same and declare the results of the voting forthwith.

23. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website **www.esterindustries.com** and on the website of CDSL e-voting viz **www.evotingindia.com** immediately after the declaration of results by the Chairman or a person/ a director authorized by him/the Board. The Results shall also be simultaneously forwarded to the concerned stock exchanges. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office and its Head Office.

24. The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the Annual General Meeting.

25. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or Head Office address or e-mail their grievances/queries to the Company Secretary as detailed below:

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

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

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN TERMS OF REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015

MR. ARVIND SINGHANIA

Mr. Arvind Singhania, aged about 53 years, is commerce graduate. Mr. Singhania was first introduced to the Board on 20th November, 1987 as Whole-time Director.

Mr. Arvind Singhania has approx. 30 years of rich and varied operations experience including production, supply chain, finance and people management. Mr. Arvind's vision and passion have been integral to Ester's success, building the company from a small start up to one of India's leading, most recognized polyester film manufacturing company. Arvind has been associated with the company since its inception. Under his tutelage, Ester has undertaken and seen tremendous success with its various expansion and modernization initiatives.

During the year he attended the Board Meeting held on 25th May, 2016, 10th August, 2016, 14th November, 2016 and 7th February, 2017.

Directorship of Mr. Arvind Singhania in other Companies as on 31st March, 2017 are as follows:

S. No.	Name of the Company
1	Fenton Investments Private Limited
2	Rekha Finance and Investment Private Limited
3	ACME Investments Limited (Unlisted Co.)

He is not holding any memberships of committees of any other Company. He holds 150 equity shares in the Company.

The terms and conditions of the appointment has been made part of the resolution proposed under item No. 6. Last drawn remuneration of Mr. Singhania has been stated in Corporate Governance Report which forms the part of the Annual Report.

None of the Directors has inter-se relationship except Mr. Arvind Singhania himself and his wife Mrs. Archana Singhania.

MR. PRADEEP KUMAR RUSTAGI

Mr. Pradeep Kumar Rustagi, aged about 56 years, is qualified Chartered Accountant from The Institute of Chartered accountants of India. Mr. Rustagi was first introduced to the Board on 14th Feb, 2011 as a Whole-time Director.

Mr. Pradeep serves as an Executive Director & Chief Financial Officer (CFO) of Ester and oversees the finance and accounting department. Pradeep has about 27 years of experience with leadership roles in financial planning, accounts, budgeting & MIS, liaison with banks & financial institutions, statutory compliance and excise. As CFO, Mr. Pradeep is responsible for Ester's financial operations and investor relations.

During the year he attended the Board Meeting held on 25th May, 2016, 10th August, 2016, 14th November, 2016 and 7th February, 2017.

Directorship of Mr. Pradeep Kumar Rustagi in other Companies as on 31st March, 2017 are as follows:

S. No.	Name of the Company
1	Fenton Investments Private Limited
2	Rekha Finance and Investment Private Limited
3	PDJ Properties and Investment Services Private Limited

He is not holding any memberships of committees of any other Company. He holds 400 equity shares in the Company

The terms and conditions of the appointment has been made part of the resolution proposed under item No. 7. Last drawn remuneration of Mr. Rustagi has been stated in Corporate Governance Report which forms the part of the Annual Report.

None of the Directors has inter-se relationship except Mr. Arvind Singhania & his wife Mrs. Archana Singhania.

NOTE ON APPOINTMENT OF M/S. WALKER CHANDIOK & CO LLP (REGISTRATION NO. 001076N/N500013), CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY (ITEM NO. 4)

Pursuant to the requirement of mandatory rotation of auditors in terms of provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s S.R. Batliboi & Co. LLP, as the Statutory Auditors of the Company will conclude from

the close of ensuing Annual General Meeting of the Company.

The Audit Committee and Board of Directors of the Company have recommended the appointment of Messrs Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration Number 001076N/ N500013) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of the Thirty Sixth AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM).

M/s. Walker Chandiok & Co LLP has expressed its willingness to act as statutory auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013.

Accordingly approval of the members of the Company is being sought for the appointment of M/s. Walker Chandiok & Co LLP as the statutory auditors and for authorisation to the Board of Directors to determine the remuneration payable to them. None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution.

By Order of the Board of Directors
For Ester Industries Limited
Sd/-
Diwaker Dinesh
Company Secretary
(Membership No.: A22282)

Place : New Delhi
Date : 2nd June, 2017

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

Item No. 4

In the Board Meeting held on 2nd June, 2017, after considering the recommendation of the Audit Committee, the Directors have re-appointed M/s. R J Goel & Co. (Regn. No. 00026), Cost Accountants, as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs. 3,00,000 (Rupees Three Lacs only). Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders. The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.

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

Item No. 5

In the Annual General Meeting held on 28th September, 2012, as per the requirements of the erstwhile Listing Agreement and Section 309 of the Companies Act, 1956, the shareholders had approved to pay commission on profits within the limit as specified under the provisions of Section 309 of the Companies Act, 1956, to Non-Executive Directors of the Company for a period of 5 years commencing from 1st April, 2013 in such manner and upto such extent as decided by Nomination and Remuneration Committee every year.

In terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees/compensation (except sitting fees) can be paid to non-executive only with the prior approval of the shareholders in general meeting.

The Board of Directors is of the opinion that, in order to remunerate the Non-Executive Directors of the Company for the responsibilities entrusted upon them and according to the current trends and the contribution made by them, Commission should be paid to the Non-Executive Directors of the Company, as and when decided by the Board of Directors.

Since the said approval for payment of commission to Non-Executive Directors was valid upto the period ending on 31st March, 2018, it is proposed to renew the approval to pay commission upto the maximum limit of 1% for further period of five (5) years.

Your Directors recommend the approval of proposed Ordinary Resolution by the Members.

All Non-Executive Directors of the Company namely, Mr. Ashok Newatia, Mr. Sandeep Dinodia, Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Dr. Anand Chand Burman, Mr. P S Dasgupta and Mrs. Archana Singhania are concerned or interested in the Resolution.

Item No. 6

Mr. Arvind Singhania was appointed as Whole-time Director (designated as Executive Chairman) of the Company from 21st May, 2014 to 31st March, 2017 by resolution of Nomination & Remuneration Committee and Board of Directors in their meeting held on 21st May, 2014. W.e.f. 11th February, 2015, he was appointed as Managing Director (designated as "Chairman & CEO") till the end of his tenure i.e. 31st March, 2017, by resolution passed in the Nomination & Remuneration Committee Meeting and Board of Directors Meeting held on 11th February, 2015.

The appointment as Managing Director was approved by the shareholders vide special resolution passed through Postal Ballot on 20th May, 2015.

The tenure of office of Mr. Arvind Singhania was expired on 31st March, 2017. It was approved by the Board subject to the approval of the shareholders to re-appoint him for another period of 3 years, on recommendation by the Nomination and Remuneration Committee.

The Special Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors except Mr. Arvind Singhania himself and Mrs. Archana Singhania (wife of Mr. Arvind Singhania), Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is interested or concerned in the said Resolution.

Item No. 7

Mr. Pradeep Kumar Rustagi was appointed as Whole-time Director of the Company from 1st April, 2014 to 31st March, 2017 by Board of Directors and Nomination & Remuneration Committee.

The tenure of office of Mr. Pradeep Kumar Rustagi was expired on 31st March, 2017. It was approved by the Board subject to the approval of the shareholders to re-appoint him for another period of 3 years, on recommendation by the Nomination and Remuneration Committee.

The Special Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors except Mr. Pradeep Kumar Rustagi himself, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is interested or concerned in the said Resolution.

Statement containing required information as per Section II of part II of Schedule V of the Companies Act, 2013 for Item No. 6 and 7

I. GENERAL INFORMATION:

i)	**Nature of Industry**	Manufacturer of Polyester Chips, Specialty Polymer, Polyester Film and Engineering Plastics
ii)	**Date of commencement of commercial production**	1st July, 1988 and various expansions thereafter
iii)	**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**	Not Applicable

(iv) Financial performance based on given indicators (Rs. in lacs)

Particulars	2014-15	2015-16	2016-17
Net Sales (Less Excise Duty)	89626.76	77081.96	70689.58
Other Income	293.85	482.16	394.13
Total Income	89920.61	77564.12	71083.71
Expenditure	82512.84	70043.17	66466.94
Depreciation and amortization expenses	3210.58	3236.25	2952.78
Finance Cost	3709.55	3601.43	3302.78
Profit/ (Loss) before tax	487.64	683.27	(1638.79)
Provision for taxation (including Deferred Tax)	103.73	227.21	544.15
Profit/ (Loss) after tax	383.91	456.06	(1094.64)

(v) Foreign investments or collaborators, if any:

Presently as on 31st March, 2017, the Company has following foreign investments in the Company -

Promoter Category (Foreign) – 58.78%

Public Category (Foreign) – 18.70%

The Company has no foreign collaboration.

II. INFORMATION ABOUT MR. ARVIND SINGHANIA AND MR. PRADEEP KUMAR RUSTAGI

1) Background Details, Recognition or Awards

Arvind Singhania

Mr. Arvind Singhania is the promoter of the company. In the past also he has managed affairs of the company as Chairman and Managing Director of the Company.

His vision and passion have been integral to Ester's success, building the company from a small start up to one of India's leading, most recognized polyester film manufacturing company. Mr. Arvind Singhania has been associated with the company since its inception. He has about 30 years of rich and varied operations experience including production, supply chain, finance and people management. Under his tutelage, Ester has undertaken and seen tremendous success with its various expansion and modernization initiatives.

Pradeep Kumar Rustagi

Mr. Pradeep Kumar Rustagi serves as Executive Director & Chief Financial Officer (CFO) of Ester and oversees the finance and accounting department. Mr. Pradeep has about 27 years of experience with leadership roles in financial planning, accounts, taxation, budgeting & MIS, liaison with banks & financial institutions, statutory compliance and excise.

As CFO, Mr. Pradeep is responsible for Ester's financial operations and investor relations.

Mr. Pradeep Kumar Rustagi is a qualified Chartered Accountant from The Institute of Chartered accountants of India.

2) PAST REMUNERATION

Details of Remuneration paid to Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi in 2016-17 are as below –

Name of Director	Salary	Allowances & Perquisites	PF & SAF	Total
Mr. Arvind Singhania	80,00,004	44,43,836	9,60,000	1,34,03,840
Mr. Pradeep Kumar Rustagi	32,88,000	38,28,576	4,94,560	76,11,136

3) Job Profile and his Suitability

Mr. Arvind Singhania

Mr. Arvind Singhania is the promoter director of the company. His vision and passion have been integral to Ester's success, building the company from a small start up to one of India's leading, most recognized polyester film manufacturing company. In the Company he has been entrusted with substantial powers of the management of the business and affairs of the Company. The Company has made enormous growth in his leadership. Taking into account his past experience, managerial & leadership skills, knowledge about the operations of the company etc. he is a fit & proper person for this position.

Mr. Pradeep Kumar Rustagi

Mr. Pradeep Kumar Rustagi manages and is in-charge of all the affairs relating to finance, accounts, raw material purchase, taxation etc. He also plays pivotal role in Strategy Planning and establishment of new Projects of company.

As Executive Director & CFO of the Company he is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person for this position.

4) Remuneration Proposed:

The remuneration proposed for both the Directors is detailed in the resolution under Item No.6 & 7.

5) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The proposed remuneration would be commensurate with the size of the Company and nature of the industry. The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions in the same industry

6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Arvind Singhania is a Promoter Director of the Company and holds 150 shares in his individual capacity. Apart from receiving remuneration and dividend, he does not receive any emoluments from the Company and is also not related to any managerial personnel of the Company. Mrs. Archana Singhania, wife of Mr. Arvind Singhania is the Non-Executive Director of the Company.

Mr. Pradeep Kumar Rustagi is employee Director of the Company and holds 400 shares in his individual capacity. Apart from receiving remuneration and dividend, he does not receive any emoluments from the Company and is also not related to any managerial personnel of the Company.

III. OTHER INFORMATION:

1) Reasons of loss or inadequate profit

- Significant expansions worldwide in Polyester Film business in India during 2015-16 & 2016-17 has caused skewed demand supply balance with supply exceeding the demand. This has put pressure on the margins in Polyester Film SBU
- Delay in ramping up sales volume of Specialty Polymers products has adversely affected both sales and profitability of Specialty Polymers SBU

2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profit in measurable terms.

- Annual growth in demand of 10% - 12% and 6% - 6.5% in domestic & global market likely to result in improved margins for Polyester Film SBU during following years
- Sustained focus towards achieving Company's strategic objective of enhancing sales of Value Added & Specialty products across all SBUs.
- Value Added & Specialty products in Polyester SBU fetch higher realization than the plain polyester film and are less susceptible to cyclicality.
- Target to achieve economies of scale by enhancing sales volume in both OFC and Compound segments of Engineering Plastics SBU
- Company's continuous focus on Business Improvement initiatives to improve operating efficiencies and costs
- Improving processes and thereby improving productivity & efficiency that will lead to reduced wastages.

3) Expected increase in productivity and profits in measurable terms:

The Company has taken various steps to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.

IV. DISCLOSURES:

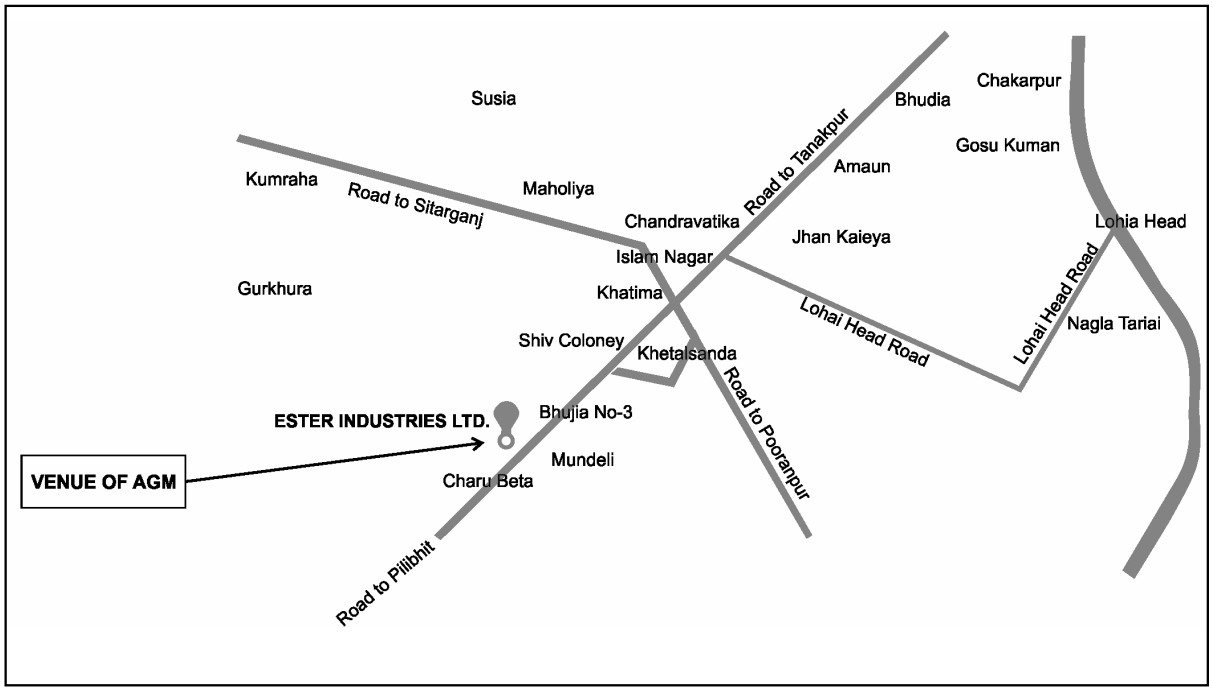
The Company has provided following information in Corporate Governance Report forming part of the Board of Directors Report:

- all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- details of fixed component and performance linked incentives along with the performance criteria;
- service contracts, notice period, severance fees;
- stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

By Order of the Board of Directors
For Ester Industries Limited
Sd/-
Diwaker Dinesh
Company Secretary
(Membership No.: A22282)

Place : New Delhi
Date : 2nd June, 2017

ROUTE MAP FOR VENUE OF AGM



MESSAGE FROM CHAIRMAN & CEO



Dear shareholders,

It gives me immense pleasure to present the annual report for the financial year 2016-17.

Overall economic activity was subdued in 2016, with the world economic growth declining to a level of 2.3[1] percent as compared to 2.7[1] percent in the previous year. Emerging markets and developing economies continued to outshine advanced economies and this trend is expected to continue.

Growth in China and some of the other commodity importing countries is projected to remain strong, thereby resulting in recovery of commodity prices, which in turn is expected to favourably impact world economy. While a recovery in advanced economies is expected in 2017, increasing pressures for inward-looking policies in these economies – consequent to the United Kingdom's exit from the EU and the new US administration – raises some level of uncertainty.

Implementation of critical structural reforms and favorable terms of trade have facilitated robust growth in the Indian economy in recent years. Despite a temporary setback owing to the demonetization initiative, the Indian economy grew by 7.0[1] during the year, retaining its position amongst the fastest growing economies. Implementation of GST is expected to facilitate ease of doing business and help in reducing cost of indigenous goods which would further support government initiatives such as "Make in India" and "Digital India" thereby boosting economic growth in the coming years.

The performance of your company during 2016-17 was not up to the expectations. Sales declined by 8.0%, mainly due to drop in polyester chips business, lower selling prices across businesses and sales drop in specialty polymer business.

While the polyester film market in India continued to grow by 12-13% in 2016-17, new capacities commissioned during the year expanded the supply availability leading to lower prices and margins. As a result, the Sales turnover of Ester's Polyester film BU declined by 1.7% as compared to the previous year. Despite significant downtime due to planned projects, sale in quantitative terms grew by 4.6% due to various productivity improvement initiatives taken by your company. Your company continued to expand its global presence, with its overseas customer base enhanced by 11%. Your company's focus towards building business relationships with key end users yielded positive results during the year with commencement of business with some leading FMCG companies and successful qualification with one of the largest global converters. Aligned with its objective of becoming a technology driven enterprise, your company enhanced its specialty product portfolio through introduction of new products such as Shrink PET film, bio-degradable films and a range of soft touch and UV printable films. Sales of Value Added & Specialty products in the domestic market continued to grow with a 4 year CAGR of 18%, which is expected to gain impetus with continual enhancement in the product portfolio.

Ester's Engineering Plastics SBU witnessed a negative sales growth of 0.7% (volumetric terms) in FY 2016-17. The corresponding drop in value terms was higher at 6.9%, owing to the steady drop in unit selling price – that commenced in the second half of the previous year (2015-16) – continuing through most of 2016-17 as well. The downward movement in selling price, influenced by the drop in polymer prices consequent to the declining crude price, saw a trend reversal only from the 4th quarter of 2016-17. While sales volumes of EP compounds (catering to end-use segments such as automotive, electrical & electronics and appliances) registered a negative growth of 3.5%, an improved customer/product mix yielded improved profitability levels. Sales of EP compounds were mainly impacted by a significant drop in volumes sold into the lighting industry, with direct imports of low-priced products from China dominating this segment. The demonetisation initiative of the government also had an adverse impact on volumes for a period of 2 to 3 months. Volumetric sales to the Optical Fiber Cable industry saw a revival in 2016-17, registering a growth of 7.5%. Despite the overall negative growth in FY 2016-17, the 4-year CAGR of Ester's EP SBU at 8.2% & 11.9%, in value and volumetric terms respectively, continued to be ahead of industry growth.

Our focused customer acquisition process and improved product range

1. Global Economic Prospects, World Bank

helped in enhancing our active customer base in the domestic as well as exports markets, with some more key approvals being secured at OEM /Tier 1 customer accounts and repeat orders secured from customers in the Exports market. Your company intends to focus on expanding its global footprint through aggressive pursuit of identified opportunities in the Exports market as well as further enhancing its relationship at key OEM / Tier 1 customer accounts in the domestic market. Concerted efforts would be maintained towards further enhancing profitability levels through productivity/efficiency improvement initiatives as well as continual improvement in customer/product mix.

In Specialty Polymer SBU, your company continues its endeavour to leverage technology for ensuring a profitable & sustainable growth and has strengthened its R&D capabilities to ensure faster turnaround of products. Your company plans to further invest in downstream pilot production equipment and testing facilities to reduce dependence on customers for product evaluation, thereby hastening the product development process.

With a view to expanding its global footprint, your company has recently approached the Chinese & European markets with innovative products for textile applications, with high level of initial interest evoked. China – being the largest producer of PET Fibre/Filament in the world – is expected to yield significant volumes. While the European market is not expected to be as attractive in volumetric terms, it would contribute towards enhancing the bottom-line of the Specialty Polymer business. Your company has also worked towards expanding its product portfolio, with introduction of Easy-dyeable master batch, Cationic-dyeable master batch & alkali soluble polymer. We are confident that the Specialty Polymer business will be a strong contributor to the top & bottom line of the company in coming years, though time needed for ramp-up may turn out to be longer than envisaged.

In today's intensely competitive world, human capital is one of the key factors which differentiate a successful organization. In cognizance of the same and aligned with the organizational objective of profitable growth driven by innovation & technology, your company brought on board technology and product specialists to further strengthen its R&D capabilities. Focus was also maintained towards productivity/ efficiency improvement initiatives. Your Company has always believed in nurturing talent and developing in-house leaders. As part of this journey, some identified high potential resources were successfully placed in key leadership positions. Your Company would continue to invest in capability development aligned with its growth aspirations.

While your company's financial performance was sub-optimal, focus towards its strategic objective of enhancing the sales of Value Added & Specialty products were sustained across all SBUs. Going forward, your company would continue to leverage on technology whilst maintaining focus on business improvement initiatives for enhanced profitability. Moreover, with the expected growth in demand, your Company is actively considering investments towards capacity enhancement to capitalize on this opportunity.

I would like to take this opportunity to appreciate the hard work and commitment demonstrated by Team Ester, in this challenging period, for endeavoring to create value for our investors.

I express my sincere gratitude to our shareholders, investors and banks who continue to support us. I wish to express my appreciation to colleagues on the Board for their continued support and confidence in your company. We solicit your continued support towards Ester's transformation.

With regards,
Arvind Singhania
Chairman & CEO

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the Thirty First Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2017.

FINANCIAL RESULTS (Rs. in lacs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
Sales and Other Income	**77757.73**	84541.74
Profit before Financial Expenses, Depreciation and Tax	**4616.77**	7520.95
Less: Interest & Other Financial Expenses	**3302.78**	3601.43
Profit / (Loss) before Depreciation, Extra Ordinary Items and Tax	**1313.99**	3919.52
Depreciation	**2952.78**	3236.25
Profit / (Loss) before Tax	**(1638.79)**	683.27
Deferred Tax	**(544.15)**	227.21
Profit / (Loss) after Tax	**(1094.64)**	456.06
Balance brought forward from previous year	**13157.37**	12701.31
Balance Carried to Balance Sheet	**12062.73**	13157.37
Basic Earnings Per Share (Rupees)	**(1.31)**	0.57
Diluted Earnings Per Share (Rupees)	**(1.31)**	0.57

DIVIDEND AND RESERVES

Your directors have not recommended payment of dividend as the Company has incurred Net Loss after Tax during the year under review. Your Company has not transferred any amount of Profit & Loss account to any reserve.

OPERATIONS REVIEW

During the year under review, your Company incurred a Net Loss after Tax of Rs. 1094.64 lacs as compared to Net Profit after Tax of Rs. 456.06 lacs earned during the FY 2015-16. Revenue from Operations during the year under review stood at Rs. 77757.73 lacs as compared to Rs. 84541.74 lacs during FY 2015-16, a reduction of 8.0%

One of the main reasons for reduced revenue from operations was no sale of Polyester Chips as compared to 2940 MT sold during FY 2015-16 with corresponding reduction in revenue from operations by Rs. 2249.56 lacs. Reduction in sales of Polyester Chips did not have major adverse impact on the financial performance of the Company as Polyester Chips being an intermediate product fetched marginal contribution.

Your company was successful in enhancing sales – in quantitative terms – of Polyester Film by 4.6%, despite depressed market conditions caused by significant capacity expansion in India during the year under review. This growth would have been higher but for shutdown of Film Plant # 1 & 3 necessitated for installation of Twin Screw Extruder and major maintenance respectively. Reduction in unit selling price resulted in a marginal drop of 1.65% in value terms. Moreover, owing to demand supply imbalance reduction in selling price was greater than the reduction in feedstock prices, causing pressure on margins and thereby adversely affecting the profitability of the Polyester Film SBU. Domestic and global annual demand growth of 10% - 12% and 6% - 6.5% respectively provides a ray of hope for a brighter future.

While sales of Engineering Plastics Compounds – in quantitative terms – reduced by 3.53% due to depressed market further aggravated by the demonetization initiative, sales of Engineering Plastics for OFC application grew by 7.53% on the back of increased demand. Engineering Plastics SBU registered a marginal improvement in profitability, albeit at sales value lower by 7.02% and 6.31% respectively, consequent to a significant reduction in prices of base polymers during second half of the FY 2016-17.

Specialty Polymers SBU witnessed a significant drop of 24.54% - in quantitative terms – owing to change in marketing strategy adopted by an overseas customer and also due to quality issues in one of the high selling grades of FY 2015-16. Efforts to offset the same through ramp up of sales volume of the other approved products did not yield the desired level of success. Moreover an adverse product mix resulted in a higher drop of 36.76% from Rs. 6581.65 lacs during FY 2015-16 to Rs. 4162.46 lacs in value terms.

Extra-ordinary items of expense as stated below further impacted performance of the Company:

1. Payment of Rs. 169 lacs (Administrative & Other Expenses – part of Rates & Taxes) on account of reversal of Modvat Credit availed on HSD during the years 1996-98 pursuant to Court Order.
2. Settlement of Euro 275000 (Rs. 192 lacs) towards addressing quality claim of an overseas customer of Specialty Polymers.

While the Company's financial performance was sub-optimal due to various factors stated above, focus towards its strategic objective of enhancing sales of Value Added & Specialty products was sustained across all SBUs. The adverse impact of sub-optimal financial performance was mitigated partially through Business Improvement initiatives to improve operating efficiencies and reduce costs.

Various initiatives taken over the last seven years – supported by capacity expansions – have resulted in Net Sales of the Company

growing at a CAGR of 8.52% pa, from Rs. 39537.06 lacs in FY2009-10 to Rs. 70057.82 lacs in FY2016-17. This CAGR has been achieved despite significant reduction in the prices of Company's products due to fall in feedstock prices consequent to fall in the prices of crude oil.

During the year under review, capacity utilization in Polyester Films was about 91%, with production higher at 51778 MT as compared to 49430 MT during the FY 2015-16. Capacity utilization would have been better but for loss of production due to reasons stated above.

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

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

PUBLIC DEPOSIT

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding at the end of financial year 2016-17.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Directors

Mr. Arvind Singhania

Mr. Arvind Singhania was appointed as Whole-time Director (designated as Executive Chairman) of the Company from 21st May, 2014 to 31st March, 2017 by resolution of Nomination & Remuneration Committee and Board of Directors in their meeting held on 21st May, 2014. With effect from 11th February, 2015, he was appointed as Managing Director (designated as "Chairman & CEO") till the end of his tenure i.e. 31st March, 2017, by resolution passed in the Nomination & Remuneration Committee Meeting and Board of Directors Meeting and was approved by the shareholders vide special resolution passed through Postal Ballot on 20th May, 2015.

The tenure of office of Mr. Arvind Singhania expired on 31st March, 2017. Therefore, his appointment for another period of 3 years i.e. from 1st April, 2017 till 31st March, 2020, on recommendation of the Nomination and Remuneration Committee was approved by Board in its meeting held on 7th February, 2017 subject to the approval of shareholders. Accordingly, requisite resolution forms part of the notice convening forthcoming Annual General Meeting.

Mr. Pradeep Kumar Rustagi

Mr. Pradeep Kumar Rustagi was appointed as Whole-time Director of the Company from 1st April, 2014 to 31st March, 2017 by Board of Directors and Nomination & Remuneration Committee Members.

The tenure of office of Mr. Pradeep Kumar Rustagi expired on 31st March, 2017. Therefore, his appointment for another period of 3 years i.e. from 1st April, 2017 till 31st March, 2020, on recommendation of the Nomination and Remuneration Committee was approved by Board in its meeting held on 7th February, 2017 subject to the approval of shareholders. Accordingly, requisite resolution forms part of the notice convening forthcoming Annual General Meeting.

Retirement by Rotation

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

Key Managerial Personnel (KMP)

Mr. Arvind Singhania, Chairman & Managing Director (designated as Chairman & CEO), Mr. Pradeep Kumar Rustagi, Executive Director & CFO and Mr. Diwaker Dinesh, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 and rules made thereunder.

DECLARATION OF INDEPENDENCE

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (LODR) Regulations, 2015.

COMPOSITION AND MEETING OF THE BOARD AND AUDIT COMMITTEE

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

AUDITORS AND AUDIT REPORT

Statutory Audit

M/s S. R. Batliboi & Company LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders in their Annual General Meeting (AGM) held on 22nd September, 2014, to hold office from 28th AGM till 31st AGM. As required by the provisions of the Companies Act, 2013, their appointment was ratified by members each year at the AGM till 31st AGM. Accordingly, their appointment tenure will be expiring on 31st AGM.

In terms of Section 139, 140 and other applicable provisions of Companies Act, 2013 and rules made thereunder, the Audit Committee and the Board of Directors have recommended for the appointment of M/s Walker Chandiok & Co. LLP (Regn No. 001076N/N500013) to Shareholders in this AGM in place of earlier Statutory Auditor for a period of 5 (five) years and a resolution related thereto forms part of the notice convening the forthcoming AGM.

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

Cost Audit

In accordance with the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

The Board has re-appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditor for the Financial year 2017-18. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18. A resolution seeking your ratification of the remuneration of M/s. R. J. Goel & Co. is provided in the Notice of AGM.

Secretarial Audit

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

M/s Sanjay Grover & Associates, Company Secretaries, has conducted secretarial audit of the Company for the financial year ended 31st March, 2017. The Report of M/s Sanjay Grover & Associates is provided in the "**Annexure-A**" forming part of this Report.

There are no qualifications, reservation or adverse remark made by the auditor in the report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your company, on the basis of information placed before them by the Management and Auditors, confirm that:-

1. in the preparation of the annual accounts for the Financial Year ended 31st March 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any.
2. they have selected appropriate accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the accounts of the Company for the financial year ended 31st March 2017 on a going concern basis.
5. proper internal financial controls laid down by them were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS

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

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely and accurate preparation of reliable financial information

Key controls have been tested during the year and necessary corrective and preventive actions taken to address identified improvement areas. Few internal controls have been modified to align with change in scenario. Your Company has put in place adequate internal financial controls with reference to the financial statements.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

Your company operates in SAP, an ERP system, and has many of its accounting records stored in electronic form with periodic back up. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of accounts.

Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary actions, wherever necessary.

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

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

CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and senior management of the Company. They have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Mr. Arvind Singhania, Chairman & CEO is enclosed as a part of the Corporate Governance Report which forms part of the Annual Report. A copy of the Code of Conduct is available on the Company's website viz. **www.esterindustries.com**

The Code of Conduct is based on the fundamental principles of good corporate governance and corporate citizenship. The Code covers the

Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, vigil mechanism, transparency, auditability and legal compliance etc.

CHANGES IN CAPITAL

During the financial year 2016-17, there was no change in the Capital of the Company.

LISTING OF SECURITIES

Your Company's Equity Shares are currently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to BSE and NSE for the financial year 2017-18.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure – B".**

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The particulars of the loan, if any (along with the purpose of utilization by recipient of loan) and investments covered under Section 186 of the Companies Act, 2013 are provided in Notes 12, 13 to financial statements. The Company has not issued any guarantee or provided any security as covered under Section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of the Annual Report. The Committee has adopted a Corporate Social Responsibility Policy. Brief outline of the CSR Policy of the Company along with total amount spent on CSR and reason for unspent amounts are set out in **"Annexure –C"** of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

PERFORMANCE EVALUATION

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

An annual evaluation was carried out of the performance of the Board, Board committees, all the directors and Chairperson pursuant to the provisions of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.

During the year the following evaluation process was adopted –

1. Independent Directors at their separate meeting without the presence of Non-Independent Director, had reviewed the performance of the Chairperson, Non-Independent Directors and the Board. While evaluating the performance of the Chairman, the views of executive directors and non-executive directors were also taken into account.
2. Nomination and Remuneration Committee carried out the evaluation of every Director's performance. The Committee, while doing so, considered the outcome of meeting of Independent Directors;
3. The Board had evaluated its own performance, performance of its Committees and each Director. While conducting the evaluation, the Board considered and discussed the outcome of the separate meeting of Independent Directors and the meeting of Nomination & Remuneration Committee.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The process of evaluation was based on the criteria prescribed in the Policy on Performance Evaluation. The Policy is uploaded on Company's website and the same can be accessed at the following link –

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

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

The Nomination and Remuneration Committee has framed a Nomination and Remuneration policy for determining criteria of selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel including determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

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

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

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **"Annexure – D"** of this report. The same is open for inspection at the Registered Office of your Company at all working days except Saturday, till the date of AGM.

RISK MANAGEMENT SYSTEM

The Company has framed a Risk Management Policy covering risk management process, governance and execution of the same. Under risk policy and risk management process document, a monitoring process has been institutionalized to ensure periodic review of organization risk profile, identify emerging risks and assess the implementation status of mitigation plans and propose change in the mitigation strategy. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

RELATED PARTY TRANSACTIONS

All contracts or arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in the ordinary course of business.

All such contracts or arrangements, wherever required, have been approved by the Audit Committee and the Board. However no material contract or arrangement with related parties was entered into during the year under review. The company has not entered any transaction with the Related parties, which are not at arm's length. Accordingly, no transactions are being reported in Form No. AOC-2 provided in **"Annexure – E"** pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note 34 to the standalone financial statements forming part of this Annual Report.

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

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

SUBSIDIARY COMPANIES

Since Ester International (USA) Limited (EIUL), a wholly owned subsidiary of the Company in USA did not have any operation since last many years, the Board of Directors of the Company decided to dissolve EIUL. Accordingly EIUL was voluntarily dissolved vide dissolution certificate dated 20th September 2016 issued by Department of Treasury, State of New Jersey, USA.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out in the **"Annexure – F"** forming part of this report.

VIGIL MECHANISM

The Company has formulated Vigil Mechanism/Whistle Blower Policy with a view to provide a mechanism for employees of the Company to raise concerns of suspected frauds, any violations of legal/ regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage employees and directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy aims to provide an avenue for employees and directors to raise concerns and reassure them that they will be protected from reprisals or victimization for whistle blowing in good faith.

The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Policy can be accessed on the Company website at following link –

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

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

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There was no incident of sexual harassment reported in the Company during FY2016-17. For protection against sexual harassment, Company has formed an internal complaints committee to which employees can write their complaints. The Company has a Prevention of Sexual Harassment Policy which has laid down a process for dealing with such issues.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Sd/-
Arvind Singhania
Chairman & CEO

Date: 2nd June, 2017
Place: New Delhi

ANNEXURE A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ester Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

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

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2017 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) *The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Standards, to the extent applicable.

(vi) The Company is carrying on the business of manufacturing of Polyester Film and Engineering Plastics having plant at Uttarakhand. As informed by the Management, following are some of the laws specifically applicable to the Company:-

- Indian Boiler Act, 1923 and regulations made thereunder;
- Legal Metrology Act, 2009 and rules made thereunder;
- Petroleum Act, 1934 and rules & regulations made thereunder.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900

Sd/-
Sanjay Grover
Managing Partner
CP No. : 3850

2nd June,2017
New Delhi

ANNEXURE-B

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Polyester Films	22201	79.52%
2	Engineering Plastics	22207	20.48%
	Total		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) **Indian**									
a) Individual/ HUF	303191	-	303191	0.36	303191	-	303191	0.36	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (1):-	**303191**	**-**	**303191**	**0.36**	**303191**	**-**	**303191**	**0.36**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) **Foreign**									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	44915012	-	44915012	53.86	49015012	-	49015012	58.78	4.92
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2):-	**44915012**	**-**	**44915012**	**53.86**	**49015012**	**-**	**49015012**	**58.78**	**4.92**
TOTAL SHARE HOLDING OF PROMOTER (A) =(A)(1)+(A)(2)	**45218203**	**-**	**45218203**	**54.22**	**49318203**	**-**	**49318203**	**59.14**	**4.92**
B. PUBLIC SHAREHOLDING									
1. **Institutions**									
a) Mutual Funds	-	27500	27500	0.03	-	27500	27500	0.03	-
b) Banks / FI	72922	11400	84322	0.10	17469	11400	28869	0.03	(0.07)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	300	300	-	-	300	300	-	-
g) FIIs	33510	21300	54810	0.07	-	21300	21300	0.03	(0.04)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others									
- Foreign Portfolio Investor	-	-	-	-	3194	-	3194	-	-
SUB-TOTAL (B)(1):-	**106432**	**60500**	**166932**	**0.20**	**20663**	**60500**	**81163**	**0.09**	**(0.11)**
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	4166589	27900	4194489	5.03	4220784	27700	4248484	5.09	0.06
ii) Overseas	20750000	-	20750000	24.88	12950000	-	12950000	15.53	(9.35)
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs. 1 lakh	7349903	1804640	9154543	10.98	8740433	1769340	10509773	12.60	1.62
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2984999	-	2984999	3.58	5274735	-	5274735	6.33	2.75
c) Others									
- Non Resident Individual	230822	17800	248622	0.30	271194	17800	288994	0.35	0.05
- Clearing Member	672471	-	672471	0.81	615386	-	615386	0.74	(0.07)
- NBFCs registered with RBI	3500	-	3500	-	107021	-	107021	0.13	0.13
SUB-TOTAL (B)(2):-	**36158284**	**1850340**	**38008624**	**45.58**	**32179553**	**1814840**	**33994393**	**40.77**	**(4.81)**
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)	**36264716**	**1910840**	**38175556**	**45.78**	**32200666**	**1875340**	**34075556**	**40.86**	**(4.92)**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL (A+B+C)	**81482919**	**1910840**	**83393759**	**100**	**81518419**	**1875340**	**83393759**	**100**	**0**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Wilemina Finance Corp.	44915012	53.86	-	44915012	53.86	-	-
2	Uma Devi Singhania	150	-	-	150	-	-	-
3	Jai Vardhan Singhania	124858	0.15	-	124858	0.15	-	-
4	Arvind Singhania	150	-	-	150	-	-	-
5	Ayush Vardhan Singhania	178033	0.21	-	178033	0.21	-	-
6	MOVI Limited	-	-	-	4100000	4.92	-	4.92
	Total	45218203	54.22	-	49318203	59.14	-	4.92

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
1	Arvind Singhania	150	-	01-04-2016	-	Nil movement during the year	150	-
		150	-	31-03-2017			150	-
2	Uma Devi Singhania	150	-	01-04-2016	-	Nil movement during the year	150	-
		150	-	31-03-2017			150	-
3	Wilemina Finance Corp.	44915012	53.86	01-04-2016	-	Nil movement during the year	44915012	53.86
		44915012	53.86	31-03-2017			44915012	53.86
4	Ayush Vardhan Singhania	178033	0.21	01-04-2016	-	Nil movement during the year	178033	0.21
		178033	0.21	31-03-2017			178033	0.21
5	Jai Vardhan Singhania	124858	0.15	01-04-2016	-	Nil movement during the year	124858	0.15
		124858	0.15	31-03-2017			124858	0.15
6	MOVI Limited	-	-	01-04-2016	-	-	-	-
		4100000	4.92	04-10-2016	4100000	Purchase	4100000	4.92
		4100000	4.92	31-03-2017	-	-	4100000	4.92

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

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
1	Vettel International Limited	**20750000**	**24.88**	**01-04-2016**			**20750000**	**24.88**
				28-10-2016	(5000000)	Sale	15750000	18.89
				16-12-2016	(4100000)	Sale	11650000	13.97
				06-01-2017	5000000	Purchase	16650000	19.96
				20-01-2017	(3700000)	Sale	12950000	15.53
		12950000	**15.53**	**31-03-2017**			**12950000**	**15.53**
2	Padmakshi Financial Services Private Limited	**226000**	**0.27**	**01-04-2016**			**226000**	**0.27**
				09-09-2016	(222205)	Sale	3795	-
				03-03-2017	1205	Purchase	5000	0.01
				10-03-2017	(5000)	Sale	Nil	-
				31-03-2017	10000	Purchase	10000	0.01
		10000	**0.01**	**31-03-2017**			**10000**	**0.01**
3	Sachin Kasera	**-**	**-**	**01-04-2016**				
				24-03-2017	225000	Purchase	225000	0.27
		225000	**0.27**	**31-03-2017**			**225000**	**0.27**
4	Hetal Ketan Thakkar	**-**	**-**	**01-04-2016**				
				31-03-2017	150000	Purchase	150000	0.18
		150000	**0.18**	**31-03-2017**			**150000**	**0.18**
5	Ashish Kacholia	**-**	**-**	**01-04-2016**				
				23-09-2016	673121	Purchase	673121	0.81
				23-12-2016	830000	Purchase	1503121	1.80
		1503121	**1.80**	**31-03-2017**			**1503121**	**1.80**
6	Shaunak Jagdish Shah	**199195**	**0.24**	**01-04-2016**		Nil movement during the year	**199195**	**0.24**
		199195	**0.24**	**31-03-2017**			**199195**	**0.24**
7	Globe Capital Market Ltd.	-	**-**	**01-04-2016**				
				08-04-2016	28025	Purchase	28025	0.03
				15-04-2016	50	Purchase	28075	0.03
				22-04-2016	(1645)	Sale	26430	0.03
				29-04-2016	(2355)	Sale	24075	0.03
				06-05-2016	40	Purchase	24115	0.03
				13-05-2016	(1815)	Sale	22300	0.03
				20-05-2016	100	Purchase	22400	0.03
				27-05-2016	(6500)	Sale	15900	0.02
				03-06-2016	200	Purchase	16100	0.02
				10-06-2016	100	Purchase	16200	0.02
				17-06-2016	(550)	Sale	15650	0.02
				30-06-2016	(2662)	Sale	12988	0.02
				08-07-2016	5600	Purchase	18588	0.02
				15-07-2016	(1913)	Sale	16675	0.02
				29-07-2016	(300)	Sale	16375	0.02
				05-08-2016	(1000)	Sale	15375	0.02
				12-08-2016	(6825)	Sale	8550	0.01

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
				19-08-2016	(1000)	Sale	7550	0.01
				26-08-2016	(1000)	Sale	6550	0.01
				02-09-2016	(50)	Sale	6500	0.01
				07-10-2016	(2000)	Sale	4500	0.01
				14-10-2016	200	Purchase	4700	0.01
				28-10-2016	5046900	Purchase	5051600	6.06
				04-11-2016	(1000)	Sale	5050600	6.06
				11-11-2016	(6967)	Sale	5043633	6.05
				18-11-2016	(37633)	Sale	5006000	6.00
				02-12-2016	500	Purchase	5006500	6.00
				09-12-2016	35	Purchase	5006535	6.00
				16-12-2016	(335)	Sale	5006200	6.00
				23-12-2016	10000	Purchase	5016200	6.02
				30-12-2016	(11000)	Sale	5005200	6.00
				06-01-2017	(5000000)	Sale	5200	0.01
				13-01-2017	1933	Purchase	7133	0.01
				20-01-2017	2832044	Purchase	2839177	3.40
				27-01-2017	(3884)	Sale	2835293	3.40
				03-02-2017	(344841)	Sale	2490452	2.99
				10-02-2017	(122325)	Sale	2368127	2.84
				17-02-2017	(100)	Sale	2368027	2.84
				03-03-2017	(525)	Sale	2367502	2.84
				10-03-2017	(22808)	Sale	2344694	2.81
				17-03-2017	(250)	Sale	2344444	2.81
				24-03-2017	2800	Purchase	2347244	2.81
				31-03-2017	(4500)	Sale	2342744	2.81
		2342744	**2.81**	**31-03-2017**			**2342744**	**2.81**
8	Nimis Savailal Sheth	**215000**	**0.26**	**01-04-2016**			**215000**	**0.26**
				02-12-2016	(27000)	Sale	188000	0.23
				09-12-2016	(23000)	Sale	165000	0.20
				16-12-2016	(13000)	Sale	152000	0.18
				13-01-2017	(45000)	Sale	107000	0.13
				20-01-2017	(17000)	Sale	90000	0.11
		90000	**0.11**	**31-03-2017**			**90000**	**0.11**
9	Narendra Singhania	**-**	**-**	**01-04-2016**				
				30-06-2016	44576	Purchase	44576	0.05
				08-07-2016	19775	Purchase	64351	0.08
				29-07-2016	47805	Purchase	112156	0.13
				30-09-2016	25000	Purchase	137156	0.16
				21-10-2016	20000	Purchase	157156	0.19
				25-11-2016	9107	Purchase	166263	0.20
				30-12-2016	18090	Purchase	184353	0.22
		184353	**0.22**	**31-03-2017**			**184353**	**0.22**
10	Lucas and Mayo Holdings Private Limited	**185533**	**0.22**	**01-04-2016**			**185533**	**0.22**
				08-04-2016	1	Purchase	185534	0.22

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
				30-06-2016	(39281)	Sale	146253	0.18
				17-03-2017	(135773)	Sale	10480	0.01
				24-03-2017	51977	Purchase	62457	0.07
		62457	**0.07**	**31-03-2017**			**62457**	**0.07**
11	Rajagopalan Sugumar	**261862**	**0.31**	**01-04-2016**			**261862**	**0.31**
				08-07-2016	7649	Purchase	269511	0.32
				15-07-2016	1500	Purchase	271011	0.32
				07-10-2016	(8200)	Sale	262811	0.32
				28-10-2016	9064	Purchase	271875	0.33
				27-01-2017	201	Purchase	272076	0.33
				03-02-2017	22624	Purchase	294700	0.35
				10-02-2017	30300	Purchase	325000	0.39
				24-03-2017	(2000)	Sale	323000	0.39
				31-03-2017	(3000)	Sale	320000	0.38
		320000	**0.38**	**31-03-2017**			**320000**	**0.38**
12	Rekhi Holdings Pvt. Ltd.	**310616**	**0.37**	**01-04-2016**			**310616**	**0.37**
				30-06-2016	(218000)	Sale	92616	0.11
				15-07-2016	(7976)	Sale	84640	0.10
				26-08-2016	15421	Purchase	100061	0.12
				23-09-2016	2500	Purchase	102561	0.12
				28-10-2016	2000	Purchase	104561	0.13
				23-12-2016	25500	Purchase	130061	0.16
				10-03-2017	(50000)	Sale	80061	0.10
				31-03-2017	10000	Purchase	90061	0.11
		90061	**0.11**	**31-03-2017**			**90061**	**0.11**
13	Suryavanshi Commotrade Private Limited	**1708121**	**2.05**	**01-04-2016**			**1708121**	**2.05**
				23-09-2016	(673121)	Sale	1035000	1.24
				23-12-2016	(830000)	Sale	205000	0.25
		205000	**0.25**	**31-03-2017**			**205000**	**0.25**
14	Suresh Bhatia	**235000**	**0.28**	**01-04-2016**			**235000**	**0.28**
				20-01-2017	(235000)	Sale	Nil	-
		-	-	**31-03-2017**			-	-
15	Suresh Bhatia	-	-	**01-04-2016**				
				13-05-2016	15576	Purchase	15576	0.02
				27-01-2017	235000	Purchase	250576	0.30
		250576	**0.30**	**31-03-2017**			**250576**	**0.30**
16	Abhinandan Leasing & Finance Pvt. Ltd.	**200000**	**0.24**	**01-04-2016**			**200000**	**0.24**
				27-05-2016	(26846)	Sale	173154	0.21
				03-06-2016	26846	Purchase	200000	0.24
				30-09-2016	(22633)	Sale	177367	0.21
				07-10-2016	(50000)	Sale	127367	0.15
				14-10-2016	(72533)	Sale	54834	0.07
				28-10-2016	(54834)	Sale	-	-
		-	-	**31-03-2017**			-	-

Note: *We have considered Top 10 shareholders at the beginning of the year i.e. 1st April, 2016 and at the end of the year i.e. 31st March, 2017*

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of shares	% of total shares of the company
	DIRECTORS							
1	Mr. Arvind Singhania*	150	-	01-04-2016	-	Nil movement during the year	150	-
		150	-	31-03-2017	-		150	-
2	Mr. M S Ramachandran	-	-	01-04-2016	-	Nil movement during the year	-	-
		-	-	31-03-2017	-		-	-
3	Mr. Sandeep Dinodia	-	-	01-04-2016	-	Nil movement during the year	-	-
		-	-	31-03-2017	-		-	-
4	Mr. Ashok Newatia	-	-	01-04-2016	-	Nil movement during the year	-	-
				31-03-2017	-		-	-
5	Mr. P S Dasgupta	-	-	01-04-2016	-	Nil movement during the year	-	-
		-	-	31-03-2017	-		-	-
6	Dr. Anand Chand Burman	-	-	01-04-2016	-	Nil movement- during the year	-	
		-	-	31-03-2017	-		-	-
7	Mr. Dinesh Chandra Kothari	20000	0.02	01-04-2016	-	Nil movement during the year	20000	0.02
		20000	0.02	31-03-2017	-		20000	0.02
8	Mrs. Archana Singhania	-	-	01-04-2016	-	Nil movement during the year	-	-
		-	-	31-03-2017	-		-	-
9	Mr. Pradeep Kumar Rustagi*	400	-	01-04-2016	-	Nil movement during the year	400	-
		400	-	31-03-2017	-		400	-
	KMP							
10	Mr. Diwaker Dinesh	10	-	01-04-2016	-	Nil movement during the year	10	-
		10	-	31-03-2017	-		10	-

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31624.10	Nil	Nil	31624.10
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	35.75	Nil	Nil	35.75
Total (i+ii+iii)	**31659.85**	**Nil**	**Nil**	**31659.85**
Change in Indebtedness during the financial year				
• Addition	1500.00	Nil	Nil	1500.00
• Reduction	(2152.04)	Nil	Nil	(2152.04)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	**(652.04)**	**Nil**	**Nil**	**(652.04)**
Indebtedness at the end of the financial year				
i) Principal Amount	30983.51	Nil	Nil	30983.51
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	24.30	Nil	Nil	24.30
Total (i+ii+iii)	**31007.81**	**Nil**	**Nil**	**31007.81**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: **(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager		Total Amount
		Mr. Arvind Singhania Chairman & CEO	Mr. Pradeep Kumar Rustagi Executive Director & CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	124.04	70.84	194.88
	(b) Value of perquisites u/s 17(2) of Income-tax Act,1961	0.40	0.32	0.72
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-
5	Others (PF, SAF)	9.60	4.95	14.55
	Total (A)	134.04	76.11	210.15
	Ceiling as per the Act	Limit of 5% to a Whole time/Managing Director and total 10% to all the Whole-time/Managing Director read with the limits prescribed under Schedule V of the Companies Act, 2013		

B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in Lacs)

Directors	Particulars of Remuneration			
	Fee for attending board / committee meetings	Commission	Others, please specify	Total
1. INDEPENDENT DIRECTORS				
Mr. Sandeep Dinodia	**0.80**	**-**	**-**	**0.80**
Mr. M S Ramachandran	**1.20**	**-**	**-**	**1.20**
Mr. Dinesh Chandra Kothari	**0.40**	**-**	**-**	**0.40**
Mr. P S Dasgupta	**0.30**	**-**	**-**	**0.30**
Dr. Anand Chand Burman	**0.40**	**-**	**-**	**0.40**
Mr. Ashok Newatia	**1.00**	**-**	**-**	**1.00**
TOTAL B(1)	**4.10**	**-**	**-**	**4.10**
2. OTHER NON-EXECUTIVE DIRECTORS				
Mrs. Archana Singhania	**0.10**	**-**	**-**	**0.10**
TOTAL B(2)	**0.10**	**-**	**-**	**0.10**
TOTAL MANAGERIAL REMUNERATION B(1)+B(2)	**4.20**	**-**	**-**	**4.20**
Overall Ceiling as per the Act	Non-Executive Directors are paid Sitting fee only. In terms of Companies Act, 2013, the ceiling for payment of sitting fee is Rs. 1 (one) Lac per meeting for each director.			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Diwaker Dinesh Company Secretary	Mr. Pradeep Kumar Rustagi Executive Director & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.55	70.84	86.39
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1.30	0.32	1.62
	(c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify…			
5	Others (PF, SAF)	0.95	4.95	5.90
	Total	**17.80**	**76.11**	**93.91**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Date : 2nd June, 2017
Place : New Delhi

ANNEXURE-C

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

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

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

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

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

2. **The composition of the CSR committee:** The Composition of Committee comprises of Mr. M S Ramachandran, Chairman of the Committee, Mr. Ashok Newatia, Mr. Arvind Singhania and Mrs. Archana Singhania, Members of the Committee.

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 861.86 Lacs.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 17.29 Lacs.

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year 2015-16: Rs. 17.29 lacs.

   (b) Amount unspent: NIL

   (c) Manner in which the amount spent during the financial year: During the year, the Company has spent Rs. 23.06 Lacs on CSR activities in the manner as detailed below :

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: direct or through implementing agency
1	Construction of toilet for girls in school	Promoting Health care	Khatima,Distt. Udham Singh Nagar, Uttarakhand and nearby areas	18.86	Direct Exp.-18.86	18.86	Direct
	Assisting disabled persons			0.23	Direct Exp-0.23	0.23	Direct
	Assistance in organizing eye check-up camp			0.25	Direct Exp.-0.25	0.25	Direct
	Launching ambulance for poor people			0.25	Direct Exp-0.25	0.25	Direct
2.	Provided furniture to a college at Khatima or nearby area and financial assistance to school/ college for renovation at Khatima and nearby area	Promoting Education		2.47	Direct Exp-2.47	2.47	Direct
	Construction of additional classes in a school at Khatima and nearby area Distributed Woolen Blankets			1.00	Direct Exp-1.00	1.00	Direct

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :**

   Not Applicable. The Company has spent on the CSR activities more than the prescribed expenditure.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

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

	Sd/-	**Sd/-**
Date : 2nd June, 2017	**Arvind Singhania**	**M. S. Ramachandran**
Place : New Delhi	**Chairman & CEO**	**Chairman of the Committee**

ANNEXURE-D

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

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

Name of Director	Ratio of Remuneration director to median remuneration	% increase in Remuneration
Executive Director		
Mr. Arvind Singhania	42:1	No Increase
Mr. Pradeep Kumar Rustagi	24:1	No Increase
Non-Executive Director[1]		
Mr. Sandeep Dinodia	0.25:1	No Increase
Mr. M S Ramachandran	0.38:1	20%
Mr. Dinesh Chandra Kothari	0.13:1	No Increase
Mr. P S Dasgupta	0.09:1	No Increase
Dr. Anand Chand Burman	0.13:1	33%
Mr. Ashok Newatia	0.31:1	25%
Mrs. Archana Singhania	0.03:1	No Increase

The percentage increase in remuneration of the Company Secretary is 8% while there was no increase in Remuneration of Chief Financial Officer.

1. *Only Sitting fee is paid to Non-Executive Directors. Ratio/Increase in remuneration have been derived based on total sitting fees paid during 2016-17 and 2015-16. However there is no increase in sitting fee for per meeting of the Board/Committee.*

II. The percentage increase in the median remuneration of employees in the financial year – There was a increase of 2% in median remuneration of employees.

III. The number of permanent employees on the rolls of company – 542 as on 31st March, 2017

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

Average percentage increase in the remuneration of employees other than Key managerial personnel in the last financial year is around 7% while no increment was given to Managerial Personnel.

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

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

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

Sd/-
Arvind Singhania
Chairman & CEO

Date : 2nd June, 2017
Place : New Delhi

ANNEXURE – E

FORM AOC – 2

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

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

1.	**Details of contracts or arrangements or transactions not at arm's length basis:**	
	a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts / arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Justification for entering into such contracts or arrangements or transactions f) Date(s) of approval by the Board g) Amount paid as advances, if any h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	NIL
2.	**Details of material contracts or arrangement or transactions at arm's length basis:**	
	a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts/arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Date(s) of approval by the Board, if any f) Amount paid as advances, if any	NIL

Sd/-
Arvind Singhania
Chairman & CEO

Date : 2nd June, 2017
Place : New Delhi

ANNEXURE – F

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

A. CONSERVATION OF ENERGY

1. <u>Steps taken or impact on conservation of energy - Energy Conservation Initiatives taken:</u>

- Reduced speed of In Plan Heating Pump of Film Plant # 3 at optimum flow level through installation of VFD resulting into savings of about 167400 units per annum (Rs. 10.04 lacs)
- Optimized speed of Primary Heater # 5 through pressure control loop provided on pump # 2 by installing VFD. This resulted into saving of about 472500 units per annum (Rs. 28.35 Lacs).
- Automation in Primary Heater # 3 heating & cooling cycle by optimizing HTM Pump speed through VFD according to the heating & cooling of the furnace resulting into savings of 600000 units per annum (Rs. 36.00 Lacs).
- Improved efficiency of Rice Husk by constructing shed to save Rice Husk from rain water & storm. This resulted into saving of Rs 64.44 lacs per annum.
- Efficient running of Film Plant # 3 resulted into savings of 150000 units per annum (Rs. 9.00 lacs) in Erema # 2 recycling plant.
- By installing VFD, reduced speed of AHU in Film Line # 3. This resulted into saving of 120000 units per annum (Rs. 7.20 lacs).
- Installed 2 limit switches in Air Curtains for auto On & Off. This resulted into saving of 17500 units per annum (Rs. 1.05 lacs).
- Installed temperature control device in diffusion pump heater in Metalizer # 2. This resulted into saving of 18900 units per annum (Rs. 1.13 lacs).
- Three AHU DX units switched off during winter season to save 36000 units per annum (Rs 2.16 lacs).
- One Air Conditioning package unit stopped during winter season in Metalizer#1 & 2 to save 45000 units per annum (Rs 2.70 lacs).

2. Steps taken by the company for utilizing alternate sources of energy:

As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2016-17 for utilizing alternate sources of energy:

Power Requirement – Mostly met through Hydro-electric power supplied by UPCL.

Steam Requirement – Mostly met through a Bio-mass (Rice Husk) fuelled Steam Boiler

Heating Requirement – Mostly met through a Bio-mass (Rice Husk) fuelled Thermic Fluid Heater

Out of total spend of Rs. 5617.07 lacs on Power & Fuel during the FY 2016-17, only Rs. 426.15 lacs is on HSD & Furnace Oil.

3. The capital investment on energy conservation equipments during 2016-17:

During the year under review, Company has invested Rs. 60.56 lacs as capital investment on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

a) Twin Screw Extruder installed & commissioned in Film Line # 1.

b) Cyclomax installed & commissioned in Primary Heater # 3 for reduction of fly ash in environment.

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

a) Facilitated development and production of Specialty Shrink Film through installation of Twin Screw Extruder in Film Line # 1.

b) Improvement in environment condition.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)- Not Applicable

4. Research and Development –

Sales revenue from products manufactured during R & D	– Rs. 120.90 lacs
Expenditure incurred on R & D for production of aforesaid products	– Rs. 464.90 lacs
Net Expenditure incurred on R & D activities	– Rs. 344.00 lacs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(Rs. in Lacs)

	2016-17	2015-16
1. Earnings – FOB Value of Exports	17852.91	22016.45
2. Outgo – CIF Value of Imports	10908.22	11350.73

Sd/-
Arvind Singhania
Chairman & CEO

Date : 2nd June, 2017
Place : New Delhi

Management Discussion and Analysis

Overview

Since the onset of the financial crisis, the global economy has struggled to revive and grow at a healthy rate. The growth in the global economy is estimated to have dropped from 2.7[1]% in 2015 to 2.3[1]% in 2016. This performance was largely due to weak underlying growth in advanced economies and mixed economic performance in emerging markets. Volatility in commodity prices impacted recovery pace across the globe. The year saw a number of political and economic disturbances, from issues in the Middle East to economic turmoil in the Euro area and Brexit. This led to a wide-ranging impact across the globe.

In spite of weak global growth, the Indian economy is estimated to have grown by 7.0[1]% during FY 2016-17as compared to 7.6[1]% during the previous year. The first half of FY 2016-17 was supported by robust private and public consumption. The trend of export decline was reversed with exports growing by 2.3[2]% as compared to a decline of 5.4% during the previous year. However, the rise in commodity prices and movement in exchange rates impacted the economy throughout the year. The demonetization of old currency notes weighed on growth in the third quarter as cash crunch impacted economic activity across the sectors. The impact of demonetization was largely recovered in the last quarter of FY 2016-17 where re-monetization of currency helped ease liquidity to some extent.

Operational Performance

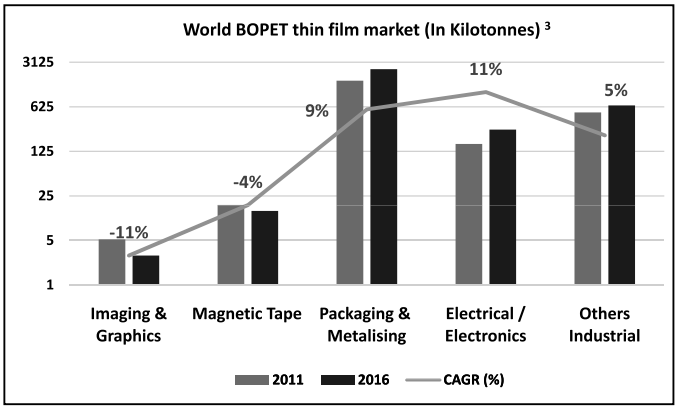
Business Segment: Polyester Films Business

PET is a clear, strong and lightweight plastic that is widely used to produce a wide variety of packaging materials for beverages, foods, personal, home care, pharmaceuticals as well as other consumer and industrial products. PET is popular due to its high tensile strength, chemical & dimensional stability, transparency, reflectivity and gas & aroma barrier properties. These properties enable longer shelf life, making PET the preferred product to protect foods, beverages & pharmaceuticals. Health and safety boards from across the globe have approved PET as a safe material to be used in the foods and beverages industry. Historically the market of the PET film industry comprises of both thin (below 50 microns) and thick films (above 50 microns).

Industry Overview

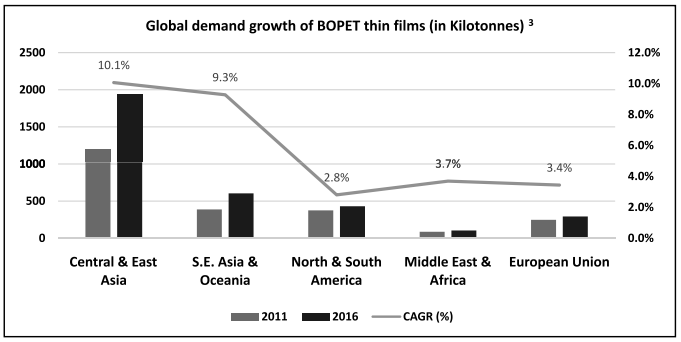
Global Market: Demand

In 2016, the world market used 3.37[3] million tonnes of BOPET thin films, with flexible packaging accounting for 72% of the total volume consumed. Over the last five years, worldwide BOPET film demand in flexible packaging and metallizing has grown by an average of 8.7[3]% per annum and volume reached 2.53[3] million tonnes in 2016. The growth in BOPET film volumes has been driven not only by substitution of other films, aluminium foil and rigid packaging formats (e.g. stand-up pouches and retort pouches for cans and blow molded bottles), but also because of the drive for additional convenient packaging to increase shelf life and product appeal.



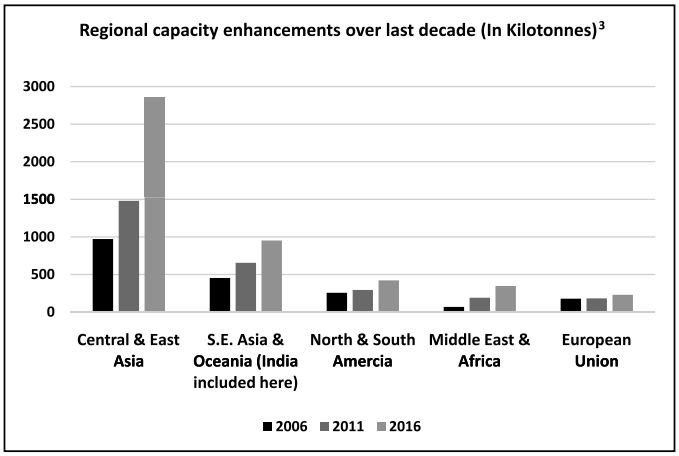
(Chart on Logarithmic scale)

Over the last five years, the BOPET film market has been growing at an average of 8%. Developments in digital storage technologies have been the major driver for volume reductions in both imaging & graphics and magnetic tape segments. The decline in volume of the above has been offset by a substantial increase in volumes of thin BOPET films for flexible packaging and metallizing applications. The electrical/ electronics segment recorded the highest growth of 11%, mostly due to increased consumption in photovoltaic cells.



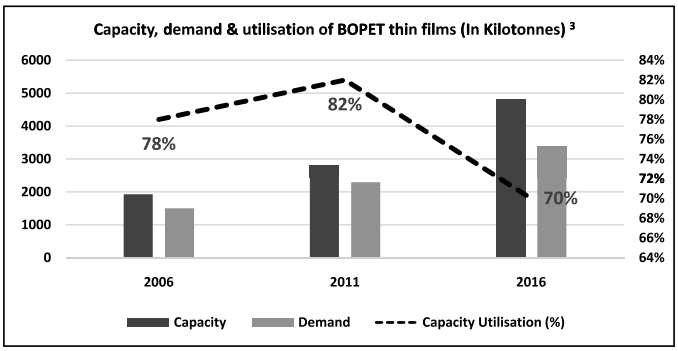
Global Market: Capacity

In the period of 2011 to 2016 world BOPET film consumption grew by 1 million tonnes, whereas film extrusion capacity increased by nearly 2 million tonnes. China accounted for about 65% of this increase in capacity and India accounted for about 15%.



1. Global Economic Prospects, World Bank
2. Key Economic Indicators, CSO
3. World BOPET Film Market Annual Review, PCI Wood Mackenzie

This significant capacity expansion caused an oversupply of BOPET film, resulting in drop in capacity utilization levels from 82% in 2011 to 70% in 2016 – thereby reducing selling prices and margins.



The Indian and Chinese markets have grown by almost twice the world average, whereas the mature markets (European Union, North & South America) have had a comparatively slower growth. With major capacity addition largely concentrated in Asia, this region is expected to play a key role to meet demand across the globe.

Indian market

The demand for BOPET films in India grew at a CAGR of 10-12% over the last five years. Low per capita consumption of PET film in India, new packaging formats, rising disposable incomes were the key factors behind this growth. This growth trend is expected to continue, thereby reducing the gap between demand and supply in coming quarters.

The total installed production capacity of BOPET films in India at the end of 2016 was approximately 628[3] KTPA, whereas the local demand is about 380[3] KTPA. Indian manufacturers of BOPET were operating at 81% capacity utilisation and exported about 129[3] kilo tonnes. While these capacity utilization levels were better than China, the global oversupply continued to impact domestic market. Three new lines of thin BOPET film were commissioned in India in 2016 adding around 93[3] kilo tonnes of capacity.

Performance Overview (FY 2016-17)

The overall sales volume of the Polyester film business unit has grown from 48.9KT to 51.2KT, an increase of about 4.5%. While overall production grew, BOPET film line # 1 and line # 3 remained unavailable for a few days for planned downtime which impacted the overall production. Sales value during 2016-17 fell by 1.7% as compared to the previous year. This fall was largely attributable to the drop in selling prices to the tune of 6% as a result of significant capacity additions which took place throughout the year. Despite increased volumes, profitability was impacted due to drop in selling prices.

Ester continued to focus on its strategic agenda of developing a portfolio of Value Added and Specialty products. The portfolio of domestic value added and specialty products grew at a 4-year CAGR of about 18%. Ester progressed towards building strong business relationships with key end users with commercialization of certain prestigious projects with some of the leading FMCG companies across the globe. Further Ester also successfully qualified with one of the largest global converters for their global supply. The export business of Ester stood at a healthy 29% share of revenue with its global footprint expanding through an 11% increase in its export customer base.

To mitigate the drop in margins, Ester progressed with various productivity/efficiency improvement projects such as waste reduction, productivity enhancement, energy & packaging cost reduction. The benefits of the above initiatives were partly realised during 2016-17 with full benefits expected to flow from next year.

Aligned with its objective of becoming a technology driven enterprise, Ester committed significant investments to its development capabilities during 2016-17. As a result of the above Ester enhanced its specialty product portfolio through introduction of new products such as Shrink PET film, bio-degradable films and a range of soft touch and UV printable films during 2016-17.

Besides these new products, Ester made significant progress on development projects in the pipeline, which shall significantly enhance the existing portfolio. All these initiatives will help to build a robust portfolio of products in the coming quarters, enhancing the overall portfolio of value added and specialty films to about 30% in the next two years.

Outlook

Rising disposable income, new packaging formats, consumption of food products and current low per capita consumption would continue to support demand growth in the range of 10-12% per annum.

Ester would continue to focus on its strategy towards

- Expanding value added and specialty products portfolio through selective investments
- Expanding product portfolio by investments in technical and product developmental capabilities
- Capacity expansion to achieve cost efficiency
- Diversifying into new market segments
- Building strong customer relationships
- Business process re-engineering towards continual efficiency improvements

Engineering Plastics Business

The Product

Engineering Plastics (such as Polybutylene Terephthalate, Polyamides and Polycarbonate) possess enhanced mechanical and/or thermal properties and dimensional stability as compared to commodity plastics (such as Polystyrene, Polypropylene and Polyethylene). Engineering Plastics usually exhibit a combination of improved properties that make them suitable for applications in various industries such as automotive, electrical & electronics, construction, medical, consumer durables and telecommunication.

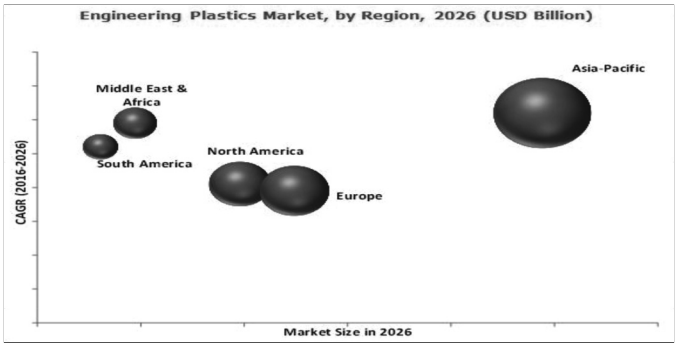
Ester manufactures and sells its products – which are compounds of PBT, PET, PA6, PA66, PC, ABS, POM and their respective blends – under the brand name "Estoplast".

Industry Overview

The global engineering plastics market – estimated at USD 50-60 Bn in 2016 (*based on various industry reports*) – is expected to grow at a

3. World BOPET Film Market Annual Review, PCI Wood Mackenzie

CAGR of ~7% through to 2026, driven primarily by the increasing demand from the Asia Pacific region. A snapshot of the regional distribution (*ref. marketsandmarkets*) is provided below;



The Asia-Pacific region accounts for the largest share of the global engineering plastics market and is also expected to record the fastest growth. While China is expected to account for the largest share in the Asia-Pacific region, India is expected to be the fastest-growing market.

Asia retained its position as the fastest-growing region in 2016. China and India led the demand with volumetric growth of over 8%. However, demand in SE Asia and Japan continued to be sluggish. Automotive production in China and India grew by over 14% and 5% respectively, while the same declined by ~1% in Japan. Though the automotive industry in SE Asia remained stagnant, the electrical & electronics industry witnessed a 6-8% growth driven mainly by exports.

North America continued to show recovery in 2016, registering a growth of about 5%. Within the region, Canada recorded the highest growth in automotive production.

Europe witnessed a similar growth of ~3% as in the previous year. Within the region, Italy registered the highest growth in automotive production at ~9%, followed closely by UK at 8%.

Latin America continued to face a challenging year in 2016 as well, with the largest economy – Brazil – shrinking for the second consecutive year. Automotive production in Brazil declined by ~11%. Colombia, with an automotive production growth of about 1.7%, has been the only silver lining in LATAM.

Key drivers for Industry Growth

- Government initiatives such as "Make in India" & "Digital India" are expected to favourably impact end-user segments viz. Automotive, Electrical & Electronics & Telecommunications.
- Increased usage of plastics for light-weighting in the automotive industry to improve fuel efficiency & reduce emissions. Phasing out of old vehicles is also expected to drive consumption.
- Increased focus by the government to promote usage of energy-saving lighting through its Domestic Efficient Lighting Programme (DELP).
- Rising demand for polyamides in 3D printing across the globe.
- Enhanced electrical safety awareness resulting in increased usage of LVSG.
- New applications for engineering plastics being developed across various industries such as the Medical & Aerospace industries.
- Rapid urbanisation, infrastructure development and increased spending capacity in APAC is expected to boost demand growth across various end-user segments.

While the above-mentioned factors are expected to fuel demand growth, upgraded commodity thermoplastics such as polypropylene would continue to pose a threat of substitution owing to cost reduction initiatives by OEMs, specifically in the automotive industry. Also, consumer preference for smaller & sleeker electronic products is leading to miniaturization of E&E components, thereby affecting consumption.

Performance Overview

Ester's Engineering Plastics SBU registered a negative sales growth of -6.9% *(a marginal drop of -0.7% in volumetric terms*) in FY 2016-17. The higher drop in value terms was on account of a 6.5% drop in unit selling price as compared to the previous year. The steady drop in selling price that commenced in the second half of 2015-16 – influenced by the drop in polymer prices consequent to the declining crude price – continued unabated through most of 2016-17, with a trend reversal from the 4th quarter of 2016-17. While sales volumes of EP compounds (*catering to end-use segments such as automotive, electrical & electronics and appliances*) dropped by 3.5%, volumetric sales to the Optical Fiber Cable industry registered a growth of 7.5%. Sales of EP compounds were mainly impacted by a significant drop in volumes sold into the lighting industry, with direct imports of low-priced PBT & PC compounds from China dominating the market. The demonetisation initiative of the government also had an adverse impact on volumes for a period of 2 to 3 months. An improved customer/product mix, coupled with cost reduction initiatives, helped in achieving a marginally improved profitability for the SBU.

Despite the negative growth in FY 2016-17, the 4-year CAGR (*FY 2012-13 to FY 2016-17*) of Ester's EP business at 8.2% (*value terms*) and 11.9% (*volumetric terms*) continued to be ahead of industry growth.

Our focused customer acquisition process and improved product range helped in enhancing our active customer base by ~ 15%, with some more key approvals being secured from Original Equipment Manufacturers (OEMs) / Tier 1 customers in the automotive, electrical and appliances industries.

Key initiatives during the year towards creating a sustainable long-term business;

- Continued focus on new product development to meet customer needs. This helped in expanding our product portfolio by ~25%, including blends/alloys of PC-PBT & PC-ABS and flame retardant grades, super tough and high glass filled grades.
- Increasing the OEM/Tier 1 customer base by securing fresh approvals and working towards improved customer/product mix for enhanced profitability.
- Focused efforts towards expanding our global footprint, with new customers secured in the Exports market.
- Enhanced distribution reach for South/West/East markets by appointing new distributors. Besides improving delivery capability and customer satisfaction levels, this would also help in tapping new opportunities.

- Sustained efforts towards productivity/efficiency improvement at the manufacturing facility and continual evaluation of opportunities to improve supply chain efficiency.

Business Prospects

Automotive Segment

The automotive segment, comprising of automobile and auto-components, is one of the key drivers of the Indian economy – accounting for ~7% of its GDP. The Indian auto industry – amongst the largest in the world – accounts for about half of the EP consumption in India. The auto industry registered an overall sales growth of 5.4% in 2016-17. The segment-wise sales growth in FY2016-17 is tabulated below;

Segment	Growth in FY16-17
Passenger Vehicles	9.2%
Commercial Vehicles	4.2%
Two-Wheelers	6.9%
Three-Wheelers	(-) 4.9%
Overall	**5.4%**

In the Passenger Vehicles segment, Utility Vehicles registered the highest growth of 29.9%, whereas sales of Cars & Vans grew by 3.9% & 2.4% respectively. India's two-wheeler industry – the second largest in the world – saw growth in all 3 categories, i.e. Scooters, Motorcycles & Mopeds by 11.4%, 3.7% & 23% respectively. In the Commercial Vehicles segment, Medium & Heavy Vehicles recorded a marginal growth, whereas sales of Light Commercial Vehicles grew by 7.4%. The three-wheeler segment – the only segment with a negative growth – also saw 12.8% growth in Goods Carrier sales.

Overall automobile exports declined by 4.5%, owing to lower exports of Two & Three wheelers. However, exports of Passenger & Commercial vehicles grew by ~16% & 5% respectively.

India's share in the global passenger vehicles market is expected to reach 8% by 2020. Production of passenger vehicles & two-wheelers is estimated to reach 10 million & 34 million respectively by 2020 from FY16 levels of 3.4 million & 18.8 million. Domestic sales of passenger and commercial vehicles are expected to grow at a CAGR of 12.9% & 11.1% respectively during 2016-26.

The Government of India aims to make automobile manufacturing the main driver of its "Make in India" initiative – taking it to the top three in the world with respect to engineering, manufacturing & exports of vehicles & auto components, as highlighted in the Auto Mission Plan (AMP) 2016-2026.

Electrical & Electronics Segment

The electrical industry comprises of the lighting and electrical equipment industries and is the next major demand driver, for engineering plastics, after the Auto industry. The key segments in the electrical equipment industry, with respect to consumption of engineering plastic compounds, include the switchgear and the energy meters industries.

The LV switchgear industry is slated to grow at a CAGR of 8.2% to reach INR 1900 Cr. by 2020, whereas demand for residential switches is expected to grow at a CAGR of ~7% to reach a market size of INR 2350 Cr. The current size of the Energy Meters industry is ~INR 2200 Cr. and is expected to grow at a CAGR of 8-10% over the next 4 to 5 years. India is estimated to install 130 million smart meters by 2021.

In the lighting segment, LED demand is expected to grow at a CAGR of 33% to reach INR 11500 Cr. by 2020, based on rising personal disposable income, government initiatives encouraging use of LED lights and increasing focus on smart city projects. With LEDs fast replacing incandescent and fluorescent lighting in the commercial & residential space, industry participants are increasingly adapting to this trend by replacing CFL manufacturing units with LED units. LEDs offer substantial benefits such as very low energy consumption, considerably higher lifetimes, higher efficiency and reduced environmental impact. The government has adopted the Domestic Efficient Lighting Programme (DELP), through which it aims to reduce installed load by 20 gigawatts by replacing incandescent bulbs with 770 million LED lamps by 2019. Demand for CFL lighting has accordingly started shrinking. In the automotive industry as well, LEDs are being increasingly used in headlights & taillights.

Electronics industry consists of applications like consumer electronics, industrial electronics, computers, communication & broadcasting equipment, strategic & electronic components. This industry is being strongly promoted by the government through various initiatives such as "Make in India" & "Digital India". The electronics market in India is expected to grow at a CAGR of ~40% during 2016-20. The government's intended reduction in import bill is expected to boost domestic manufacturing, fuelling an increase in demand for engineering plastics.

Optical Fiber Cable Segment

With the third-highest number of Internet users in the world, the Indian telecom market is witnessing a major surge in data uptake. This is expected to increase exponentially in the near future with consumers demanding faster services and increased data consumption at cheaper rates.

In its effort to improve connectivity across the country, the Indian government plans to boost investment in telecom infrastructure. As part of the 'Digital India' programme, the BharatNet project (earlier NOFN) aims to provide one lakh gram panchayats with broadband connectivity by laying underground optic fibre cable (OFC) lines in its first phase.

The second phase will provide connectivity to all 250500 gram panchayats in the country by December 2018, using an optimal mix of underground fiber, fiber over power lines, radio and satellite media. This new element of the BharatNet strategy – using aerial OFC as the mode of connectivity – has several advantages, including lower cost, speedier implementation, easy maintenance and utilization of existing power line infrastructure. Last mile connectivity to citizens is also proposed to be provided by creating Wi-Fi hotspots in gram panchayats. Implementation of the third phase is slated for the 2018-2023 period.

Future Outlook

Ester intends to put in concerted efforts to get back on the growth track in FY17-18, whilst focusing on actions to further enhance profitability. Some of the key actions towards ensuring this objective include;

- Enhancing relationship with OEMs & Tier-1/2 customers in the automotive/ electrical segments and securing approvals for long-term sustainability.
- Expanding Ester's global footprint through aggressive pursuit of Identified Exports opportunities and participation in international exhibitions to enhance brand visibility.

- Building R&D capability (in-house or through strategic alliances) aligned with technological developments and acquiring advanced technical expertise in the field of EP compounding to address changing customer needs.
- Continued focus on new product development & collaborative application development projects to enhance customer/product mix and aggressively pursuing a variable cost reduction plan for enhanced profitability of the SBU
- Evaluating options (including additional manufacturing facility) to improve supply chain efficiency and enhance distribution reach & delivery capability in West/South as well as Exports markets.
- Evaluating options for introduction of additional polymer compounds for entering new market segments.
- Enhancing Ester's UL-certified product portfolio

Specialty Polymer Business

Ester continues its endeavour to leverage technology to ensure a profitable & sustainable growth in the future. We have strengthened the R&D team and associated infrastructure to ensure faster turnaround of products. The Board of Directors have recently approved the setting up of a Technology Centre near Gurgaon. The main aim will be to consolidate the entire activity of R&D near the head office to enable a more focused approach and attract required talent which is critical for technology development. We further plan to invest substantially in downstream pilot production equipment and testing facilities to hasten the process of product development. This will reduce dependence on customers for product evaluation which can be very time consuming.

Ester's Specialty Polymer business caters to the needs of various applications including carpets, textiles, rigid & flexible packaging, engineering plastics and other industrial products. While we continue to establish volumes of the products already developed and commercialized, it is important to mention that the process has a much longer gestation period than anticipated before. While customers have valued and approved products offered to them, they have demonstrated a cautious approach in switching to entirely new product lines owing to business continuity concerns. Ester's efforts would be focused towards allaying such concerns. We have recently also approached the Chinese market with our innovative products for textile applications. With China being the largest producer of PET Fibre/Filament in the world, we expect to tap significant opportunities available there. Besides the stain resistant master batch for the carpet industry, we have recently also introduced our Easy-dyeable master batch, Cationic-dyeable master batch & alkali soluble polymer. Customers from China have expressed significant interest in these products. Introduction of these products has also been initiated in Europe, with high level of interest evoked. While the European market is not expected to yield significant volumes, it would contribute towards enhancing the bottom-line of the Specialty Polymer business.

Future Outlook

We are confident that the Specialty Polymer business will be a strong contributor to the top & bottom line of the company in coming years. However, time needed for ramp-up may turn out to be longer than envisaged.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2016-17)	Quantity Produced (MT) (During 2015-16)	Growth
Polyester Chips	51547	53981	(4.50%)
Specialty Polymers	2833	4140	(31.57%)
PET Film – Non Metallized	51778	49430	4.75%
PET Film – Metallized	9396	9481	(0.01%)
Engineering Plastics	11226	11772	(4.64%)

	Quantity Sold (During 2016-17)	Quantity Sold (During 2015-16)	Growth
Polyester Chips	—	2940	(100.0%)
Specialty Polymers	2671	3540	(24.55%)
PET Film – Non Metallized	41922	39455	6.25%
PET Film – Metallized	9278	9512	(2.46%)
Sub Total – PET Film	***51200***	***48967***	***4.56%***
Engineering Plastics	10876	10948	(0.01%)

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2016-17)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2015-16)	Growth
Polyester Chips	—	2027.93	(100.0%)
Specialty Polymers	4162.46	6581.65	(36.76%)
PET Film – Non Metallized	39701.62	39609.45	(0.23%)
PET Film – Metallized	11498.09	12454.09	(7.68%)
Sub Total - PET Film	***51199.71***	***52063.54***	***(1.66%)***
Engineering Plastics	14444.69	15507.02	(6.85%)
Others	251.23	58.91	326.46%
TOTAL	**70058.09**	**76239.05**	**(8.10%)**

	(Rs. in Lacs) (During 2016-17)	(Rs. in Lacs) (During 2015-16)	Growth
EBITDA	4616.77	7520.95	(38.61%)
PBT	(1638.79)	683.27	(339.85%)
PAT	(1094.64)	456.06	(340.02%)

One of the main reasons for reduced revenue from operations was no sale of Polyester Chips during FY 2016-17. Reduction in sales of Polyester Chips did not have major adverse impact on the financial performance of the Company as Polyester Chips being an intermediate product fetched marginal contribution.

Volume growth in Polyester Film SBU would have been higher but for shutdown of Film Plant # 1 & 3 necessitated for installation of Twin Screw Extruder and major maintenance respectively. Reduction in unit selling price resulted in a marginal drop in value terms. Moreover, owing to demand supply imbalance reduction in selling price was greater than the reduction in feedstock prices, causing pressure on margins and thereby adversely affecting the profitability of the Polyester Film SBU.

Engineering Plastics SBU registered a marginal improvement in profitability, albeit at lower sales value, consequent to a significant reduction in prices of base polymers during first half of the FY 2016-17

Specialty Polymers SBU witnessed a significant drop - in quantitative terms – owing to change in marketing strategy adopted by an overseas customer and also due to quality issues in one of the high selling grades of FY 2015-16. Moreover an adverse product mix resulted in a higher drop in value terms.

Extra-ordinary items of expense as stated below further impacted performance of the Company:

1. Payment of Rs. 169 lacs on account of reversal of Modvat Credit availed on HSD during the years 1996-98 pursuant to Court Order
2. Settlement of Rs. 192 lacs towards addressing quality claim of an overseas customer of Specialty Polymers

The adverse impact of sub-optimal financial performance was mitigated partially through Business Improvement initiatives to improve operating efficiencies, reduce wastage and controlling conversion & overhead costs.

Company's focus towards achieving its strategic objective of enhancing sales of Value Added & Specialty products to mitigate the adverse impact / threat of cyclicality caused by unfavorable market conditions was sustained across all SBUs.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Outside Liabilities: Tangible Net Worth ratio stands at 1.28 as on 31st March 2017. The book value per equity share stood at Rs. 33.26

Risk Management

Realising that risk is an integral part of any enterprise, Company has framed a Risk Management Policy covering risk management process, governance and execution of the same. Risk Management Policy aims to detail the objectives and principles of risk management along with an overview of the risk management process and related roles and responsibilities. Under risk policy and risk management process document, a monitoring process has been institutionalized to ensure periodic review of organization risk profile, identify emerging risks, their classification into various categories viz. Strategic, Financial, Operational and Compliance, and assess the implementation status of mitigation plans. Considering the current volatile and dynamic environment, identified risks and the progress in the implementation of mitigation plans to manage the identified / inherent risks are reviewed and if required, the risks and the mitigation plans are modified to align with the changed scenario / environment. Upon detailed review of the identified risks, the Board has opined that there are no risks which may threaten very existence of the Company.

Intellectual Capital

In today's intensely competitive world, human capital is one of the key factors which differentiate a successful organization from those which have not managed to make a mark. It takes focused efforts and a continuous investment in capability and competency to create and maintain that edge.

Having said that, people are an integral part of the business and therefore every people process and initiative has to be closely aligned with the strategic business objectives of the organization. As we endeavour towards steady growth in this challenging environment, we need to continuously scan for opportunities to optimize resources and talent allocations. In addition to many other focus areas, cost efficiency, capability building, establishing robust systems & processes and continuously monitoring their effectiveness need to be accorded high priority. As on 31st March, 2017, there are 542 people working as employees of the Company.

In cognizance of the above, we continued on our journey of process and operational efficiency improvement programs through identified "Business Improvement Projects" and assigning cross functional teams to drive these projects towards success. This year, we successfully concluded some of these projects and initiated some new work streams. While the journey still continues, several recommendations of the "Time & Motion" study, which was conducted last year, were successfully implemented. As innovation, development and technology continue to remain at the core of Ester's strategy; we further strengthened our NPD and R&D capabilities by bringing technology and product specialists on board.

We also aligned our various initiatives implemented earlier (such as Learning & Development Framework, HI-potential Employees, Esterian DNA- Competency Framework, Employee Communication, Rewards & Recognition etc.) to the evolving internal and external dynamic business environment. Through such interventions as well as job rotation, we were not only able to fill some cross functional middle level positions but also leadership positions through internally developed talent. In the coming year, we would be developing a pool of internal trainers who will work towards institutionalizing behavioural aspects of the Esterian DNA as well as technical capabilities amongst existing as well as new resources.

Cautionary statement

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

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions. The ambit of governance involves all the stakeholders and how the corporation deals with those stakeholders, including the shareholders, employees, regulators, customers, suppliers and society. It is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization.

This corporate governance report sets out the governance framework adopted by the Board of Ester Industries Limited and highlights the key activities during the year.

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its board of directors, management and employees.

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

1. Board of Directors

The Board of the Company is constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with best practices in Corporate Governance with an optimum combination of Executive, Non- executive and Independent directors, having a pool of collective knowledge from various disciplines like Engineering, Finance, Legal, Business Management, Corporate Planning etc. on its board.

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

Composition of the Board

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

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

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

The Board of Directors and its committees meet at regular intervals. 4 (Four) Board Meetings were held during the year 2016-17 on 25th May, 2016, 10th August, 2016, 14th November, 2016 and 7th February, 2017. Last Annual General Meeting (AGM) of the Company was held on 24th September, 2016.

Name of the Director	Designation	Attendance Particulars		No. of directorships in other Companies[1]		No of Membership/Chairmanship of Committees in other Companies[2]	
		Board Meeting	Last AGM	Board Membership	Chairperson of the Board	Committee Membership	Chairperson of Committees
Mr. Arvind Singhania	Chairman & CEO	4	Yes	1	None	None	None
Mr. Ashok Kumar Newatia	Independent Director	4	No	None	None	None	None
Mr. M S Ramachandran	Independent Director	4	No	6	None	3	1
Mr. Dinesh Chandra Kothari	Independent Director	2	No	3	None	3	1
Dr. Anand Chand Burman	Independent Director	4	No	5	2	None	None
Mr. P S Dasgupta	Independent Director	2	No	7	None	7	2
Mr. Sandeep Dinodia	Independent Director	4	Yes	3	None	5	3
Mrs. Archana Singhania	Non- Executive Director	1	No	None	None	None	None
Mr. Pradeep Kumar Rustagi	Executive Director & CFO	4	Yes	None	None	None	None

Note –

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

Board Procedure and Functioning

The Board meets at least once every quarter to review the Quarterly Results and to take decisions on matters pertaining to Company's working. In case of business exigencies, resolutions are passed by circulation or a Board meeting is conducted depending on the matter.

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

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

Familiarisation Programme

As per the requirement of Regulation 25 of the SEBI (LODR) Regulations, 2015 which inter-alia stipulates that the Company shall familiarize the independent directors, the Company undertakes various initiative to familiarise the Independent Directors with the Company, and senior management giving an overview of the Company's operations, products, group structure, subsidiaries, Board constitution, guidelines, matters reserved for the Board, and the major risks and risk management strategy etc.

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

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

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

Statutory Compliance

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

Compliance of Code of Conduct

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

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

Meeting of Independent Directors

During the year, a separate Meeting of the Independent Directors was held on 14th November, 2016 and 7th February, 2017 to review the performance of the Chairperson, Directors and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the company management and the Board, necessary for the Board to effectively and reasonably perform their duties.

2. Audit Committee

The Company has Audit Committee formed in pursuance of compliance with Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels

of transparency, integrity and quality of financial reporting.

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

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Examination of the financial statement and auditors' report thereon;
- The appointment, removal and terms of remuneration of the internal auditor
- Reviewing following matters –
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee);
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses;
    e. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) for public issue, rights issue, preferential issue
    f. annual statement of funds utilized of Public issue/ Right issue for purposes other than those stated in the offer document/prospectus/notice
- Any other matter as referred by the Board time to time in the terms of reference of the audit committee.

During the year 2016-2017, the Audit Committee has met on 25th May, 2016, 10th August, 2016, 14th November, 2016 and 7th February, 2017. The Composition of the Audit Committee and the particulars of meeting attended by the members of the Audit Committee are given below:

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

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

The Company Secretary acts as the Secretary of the Committee.

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

Mr. Sandeep Dinodia, Chairman of the Audit Committee attended the last Annual General Meeting held on 24th September, 2016.

3. Nomination and Remuneration Committee

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

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

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

During the year 2016-2017, two meetings of Nomination and Remuneration Committee were held on 25th May, 2016 and 7th February, 2017. The Composition of the Nomination and Remuneration Committee and the particulars of meeting attended by the members of the Committee are given below:

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

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

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

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

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

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

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

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

B. Board Diversity

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

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

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

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

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

Details of Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Borrowing Committee). The Shareholders have approved at the AGM of the Company on September 28, 2012, the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The quantum of the commission may be recommended by the Committee on year to year basis based on the profitability of the Company and on such recommendation, the Board may decide to pay commission to the directors. During the year no commission was paid to any director.

The details of sitting fees paid during the year 2016-17 to the Directors are given below –

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. Ashok Kumar Newatia	1,00,000
Mr. Sandeep Dinodia	80,000
Mr. M S Ramachandran	1,20,000
Mr. Dinesh Chandra Kothari	40,000
Mr. P S Dasgupta	30,000
Dr. Anand Chand Burman	40,000
Mrs. Archana Singhania	10,000

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, for the purpose of attending meetings of the Company.

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

Details of remuneration to Executive Directors

Managing Director/ Whole-time Director are eligible for remuneration as may be approved by Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The remuneration payable to any one managing director or whole-time director does not exceed 5% of the net profits of the company and if there is more than one such director, remuneration doesn't exceed 10% of the net profits to all such directors taken together. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-

time Director in accordance with the Schedule V and other applicable provisions of the Act and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

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

During financial year 2016-17, following remuneration to Executive Directors were paid/payable-

Name of Director	Salary	Allowances & Perquisites	PF & SAF	Total
Mr. Arvind Singhania	80,00,004	44,43,836	9,60,000	1,34,03,840
Mr. Pradeep Kumar Rustagi	32,88,000	38,28,576	4,94,560	76,11,136

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available for the managing director and executive director. Services of the managing director and executive director may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees. During the year, no Performance Linked Incentives were paid to Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi. The company has not issued any Stock options.

Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares held
Mr. Arvind Singhania	150
Mr. M S Ramachandran	Nil
Mr. Dinesh Chandra Kothari	20,000
Mr. Ashok Kumar Newatia	Nil
Dr. Anand Chand Burman	Nil
Mr. P S Dasgupta	Nil
Mr. Sandeep Dinodia	Nil
Mrs. Archana Singhania	Nil
Mr. Pradeep Kumar Rustagi	400

Performance Evaluation criteria for Independent Directors:

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

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

4. Stakeholders' Relationship Committee

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

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

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

1. To review and redress complaints from various shareholders which includes non- receipt of dividend, non-receipt of interest on debentures, non-receipt of annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.
2. To oversee and review all matters connected with transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of securities issued by the Company.
3. To affix or authorise affixation of the Common Seal of the Company on Share Certificate of the Company.
4. To perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

During the year 12 meetings of the Committee were held on 5th April, 2016, 11th April, 2016, 22nd April, 2016, 2nd May, 2016, 5th July, 2016, 20th July, 2016, 5th October, 2016, 10th October, 2016, 28th October, 2016, 5th January, 2017, 10th February, 2017 and 31st March, 2017.

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

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	12	12
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	12	8
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	12	12

Mr. Diwaker Dinesh, Company Secretary of the Company acts as the Compliance Officer.

The Company has received 56 Complaints from the shareholders and all of them have been resolved by furnishing requisite information/ documents. All the complaints were resolved and there was no complaint pending as on 31st March, 2017.

The Company gives utmost priority to the redressal of Shareholders Grievances which is evident from the fact that all

complaint received from the shareholders are resolved expeditiously to the satisfaction of the shareholders.

5. Borrowing Committee

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

During the year 4 meetings were held on 14th June, 2016, 22nd August, 2016, 11th November, 2016 and 5th December, 2016.

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

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	4	4
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	4	4
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	4	4

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

6. Corporate Social Responsibility (CSR) Committee

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

The terms of reference of the Committee includes –

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

During the year 2 meetings were held on 25th May, 2016 and 10th August, 2016.

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

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

Since there was no requirement for the Company to have a Risk Management Committee under Listing Regulations, Companies Act, 2013 or any other applicable law and the terms of references of the Audit Committee stipulated by the Board included the "Evaluation of Risk Management System", the Board after discussion, decided that the Risk Management Committee be dissolved and the Audit Committee would review and evaluate the Risk Management Systems of the Company and would make recommendation to the Board for the matters pertaining to framing, implementing and monitoring the risk management plan for the listed entity as and when the Committee thinks necessary.

7. General Body Meetings

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

Annual General Metting

Financial Year	Date	Time	Venue	Special Resolution Passed
2015-16	24.09.2016	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed
2014-15	28.09.2015	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Re-Appointment of Mr. Ayush Vardhan Singhania as Group Leader – Marketing & Business Development 2. Modification in terms and conditions of appointment of Mr. Jai Vardhan Singhania as Group Leader – Business Planning and Support
2013-14	22.09.2014	12.30 P.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Appointment of Mr. Jai Vardhan Singhania as Group Leader-Business Planning & Support 2. Alteration in Articles of Association of the Company

Extra Ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2013-14	31.10.2013	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Approval for Preferential Allotment of Zero Coupon Compulsory Convertible Warrants

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

8. Disclosures

Related Party Transactions

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

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

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

All transactions, if any, entered into by the Company with related parties during the financial year were on arm's length basis. During the financial year 2016-17, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

Compliance by the company

The Company has complied with the requirement of the Stock Exchange, SEBI and other statutory authorities relating to the capital market during the last three years. No penalties or Strictures have been imposed on the company by the Stock Exchange, SEBI and other statutory authorities relating to the above.

Whistle Blower policy (Policy on Vigil Mechanism)

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

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

Policy on Material Subsidiaries

In accordance with Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015 the Company has framed Policy on Material Subsidiaries to set out the criteria to determine "Material Subsidiaries" and to provide the governance framework for them.

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

http://esterindustries.com/sites/default/files/Policy_on_material_subsidiary.pdf

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

Certification by Chairman & CEO and Executive Director & CFO as stipulated in the Regulation 33 of the SEBI (LODR) Regulations, 2015 was placed before the Board along with the financial statement for the year ended 31st March 2017, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

Compliance with Mandatory & Non-mandatory Requirements.

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all the requirement of Regulations 17 to 27, whichever is applicable. The Company has also fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

- It is always the Company's endeavour to present unmodified/unqualified Financial Statements. The auditors has given the unmodified opinion on the financial statement for the year ended on 31st March, 2017.
- The Internal Auditor has been reporting directly to the Audit Committee.

9. Means of communication

- The Company intimates unaudited/ audited financial results to the stock exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Generally the results are published in Financial Express, Dainik Najariya.
- Website - Ester's website **www.esterindustries.com** contains a separate dedicated section 'Investors' which provides shareholders information like quarterly financial results, annual reports, shareholding patterns, news and announcements and other shareholder information. Further as all such information are also filed/ intimated to BSE and NSE, the shareholder can also obtain information from their website viz. **www.bseindia.com** and **www.nseindia.com** respectively.
- NSE Electronic Application Processing System (NEAPS)- NEAPS is a web based application designed by NSE for corporate. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on NEAPS.
- BSE Listing Centre - BSE has launched web based application for compliances and intimation under SEBI (LODR) Regulations, 2015 for companies Listed in BSE. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on Listing Centre.
- Designated e-mail address for investor services- In terms

of Regulation 46(2) of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is **investor@ester.in**. The shareholders may also send their queries at the email id of Registrar and Transfer Agent (RTA) viz. **info@masserv.com.**

- Press Release and Investor Presentation- The company issues press release every quarter briefing the details of quarterly and year to date results and performance of the company with a message of Chairman. Investor presentation on financial results are posted on the website of the Company and sent to stock exchanges. Earning calls with analysts and investors for discussion on results are made on quarterly basis after dissemination of the quarterly and year to date results.

10. General Shareholder Information:

- **Forthcoming Annual General Meeting**

Day, Date & Time	Monday, 4th September, 2017, 10:30 AM
Venue	Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udhamsingh Nagar, Uttarakhand

- **Financial Calendar (Tentative and subject to change)**

Financial Results for the Quarter ending 30th June 2017	Aug – 2017
Financial Results for the Quarter ending 30th September 2017	November – 2017
Financial Results for the Quarter ending 31st December 2017	February – 2018
Financial Results for the Quarter and year ending 31st March 2018	May – 2018
Annual General Meeting	September 2018

- **Books closure date:** 29th August, 2017 to 4th September, 2017.
- **Dividend**

No Dividend has been recommended for the financial year 2016-17. In terms of the Section 125 of the Companies Act, 2013, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, the unclaimed dividend amount for the year 2008-09 (final) was transferred to the IEPF established by the Central Government under applicable provisions of the Companies Act. The shareholders, who have not encashed their dividend warrants relating to the dividend specified in table below are requested to immediately send their request for issue of duplicate warrants.

Year of Dividend	**2009-10**	**2010-11**		**2013-14**
Nature of Dividend	**Final**	**Interim**	**Final**	**Final**
Date of Declaration	27-07-2010	01-11-2010	25-07-2011	22-09-2014
Last date to claim dividend	02-09-2017	08-12-2017	31-08-2018	23-10-2021
Proposed date of transfer of Dividend	02-10-2017	07-01-2018	30-09-2018	22-11-2021

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

The Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. **www.iepf.gov.in** and under 'Investor Section' on the website of the Company viz. **www.esterindustries.com**

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

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

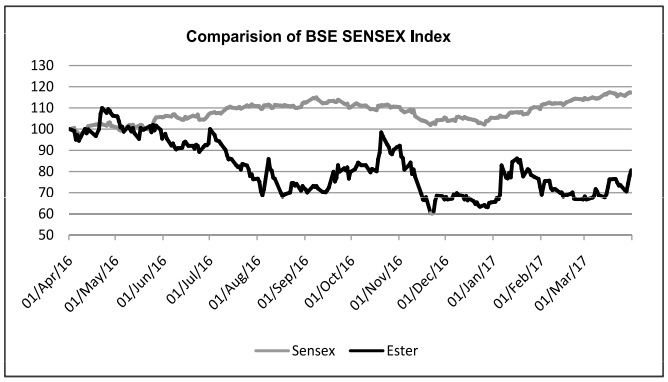
Address of Stock Exchanges	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	**National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex,Bandra (E), Mumbai – 400051
Listed Capital	83393759 Equity Shares of Rs. 5 /- each	83393759 Equity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

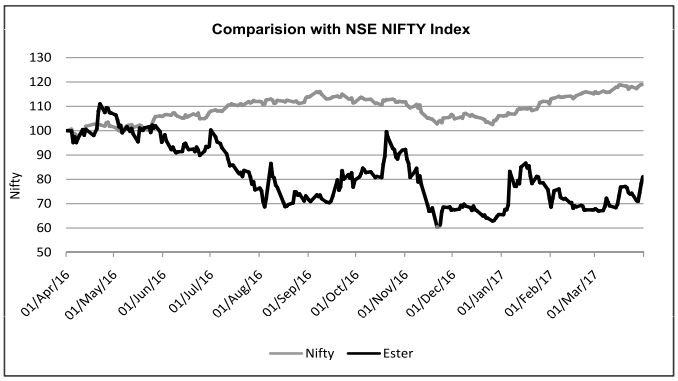
The Listing Fees for the financial year 2016-17 have been paid to stock exchanges within the prescribed time period.

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

Month	Bombay Stock Exchange			National Stock Exchange		
	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)
Apr-16	66.55	52.75	11,52,096	66.75	52.55	22,63,798
May-16	63.70	52.25	4,97,354	63.70	52.00	11,71,207
Jun-16	59.50	50.30	5,99,072	59.90	48.40	11,61,638
Jul-16	59.30	43.50	6,29,547	59.40	43.00	20,75,022
Aug-16	51.10	39.00	11,75,380	55.00	39.30	31,96,841
Sep-16	51.85	39.90	16,44,824	51.65	39.95	33,96,301
Oct-16	59.00	45.60	15,83,104	59.50	45.50	47,51,989
Nov-16	53.80	34.50	7,70,014	54.00	34.55	20,32,077
Dec-16	41.80	35.70	7,13,962	41.50	34.65	13,48,175
Jan-17	55.00	37.90	29,07,853	55.00	37.75	1,02,57,313
Feb-17	44.40	37.70	7,80,720	45.00	37.75	9,54,313
Mar-17	47.45	38.50	10,27,354	47.45	38.50	19,89,839

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





- **Commodity Price risk or foreign exchange risk and hedging activities:**

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

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

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

- **Registrar and Share Transfer Agents:**
  MAS Services Limited,
  T - 34, Okhla Industrial Area, Phase - II, New Delhi - 110 020
  Phone No. - 011-26387281/82/83 | Fax No. - 011-26387384
  E-Mail : **info@masserv.com**

- **Share Transfer System:**

  Presently, the share transfer which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipts, subject to the documents being valid and complete in all respects.

- **Distribution of Shareholding as on 31st March 2017:**

Shareholding of Nominal Value of Rs. 5 each	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-5000	22888	92.20	5257891	6.30
5001-10000	914	3.68	1440879	1.73
10001-20000	447	1.80	1279951	1.53
20001-30000	226	0.91	1125994	1.35
30001-40000	72	0.29	517224	0.62
40001-50000	86	0.35	808697	0.97
50001-100000	104	0.42	1539595	1.85
100001 & Above	88	0.35	71423528	85.65
Total	**24825**	**100**	**83393759**	**100**

- **Shareholding Pattern as on 31st March 2017:**

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
a. Individual/HUF	4	303191	0.36
b. Bodies Corporate	-	-	-
Sub Total	**4**	**303191**	**0.36**
2. Foreign			
a. Individuals (NRI/ Foreign Individuals)	-	-	-
b. Bodies Corporate	2	49015012	58.78
Sub Total	**2**	**49015012**	**58.78**
Total Shareholding of Promoter and Promoter Group(A)	**6**	**49318203**	**59.14**
B. PUBLIC SHAREHOLDING			
1. Institutions			
a. Mutual Funds/UTI	5	27500	0.03
b. Foreign Portfolio Investors	1	3194	-
c. Financial Institutions/Banks	8	28869	0.03
d. Insurance Companies	1	300	-
e. Foreign Institutional Investors	3	21300	0.03
Sub Total	**18**	**81163**	**0.09**
2. Non Institutions			
a. Bodies Corporate	330	17198484	20.62
b. Resident Individuals	24080	15784508	18.93
c. Non-Resident Individual	152	288994	0.35
d. Clearing Member	235	615386	0.74
e. NBFC registered with RBI	4	107021	0.13
Sub Total	**24801**	**33994393**	**40.77**
Total Public Shareholding (B)	**24819**	**34075556**	**40.86**
GRAND TOTAL (A) + (B)	**24825**	**83393759**	**100**

- **Dematerialisation of Shares:**

  As on 31st March 2017, 97.75% of the Company's shares were held in dematerialised form.

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

  As on 31st March, 2017, there are no outstanding Warrants or any Convertible warrants or any convertible Instruments and their likely instruments. The Company has not issued any GDR/ ADR.

- **Plant location**

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

- **Investor Correspondence**

  MAS Services Limited,
  (Unit : Ester Industries Limited)
  T – 34, Okhla Industrial Area, Phase - II, New Delhi – 110 020
  Phone No. – 011-26387281/82/83 Fax No. – 011-26387384
  E-Mail: **info@masserv.com**

  Or

  The Company Secretary
  Ester Industries Limited
  Plot No.11, Block-A, Infocity-I,
  Sector 34, Gurgaon-122 001, Haryana
  Phone: 0124-4572100 Fax : 0124-4572199
  E-Mail: **investor@ester.in**
  Website: **www.esterindustries.com**

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

DECLARATION

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

For Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place : New Delhi
Date : 2nd June, 2017

COMPLIANCE CERTIFICATE BY CHAIRMAN & CEO AND EXECUTIVE DIRECTOR & CFO

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the financial year 2016-17 which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

	Sd/-	Sd/-
	Arvind Singhania	**Pradeep Kumar Rustagi**
Place : New Delhi	Chairman & CEO	Executive Director and CFO
Date : 2nd June, 2017	DIN: 00934017	DIN: 00879345

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
M/s Ester Industries Limited

We have examined the compliance of conditions of Corporate Governance by **M/s Ester Industries Limited ('the Company')** for the year ended 31st March, 2017 as per Regulations 17 to 27, Clauses (b) to (i) of sub-regulations (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in the Regulations 17 to 27, Clauses (b) to (i) of sub-regulations (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

For Dhananjay Shukla & Associates
Company Secretaries

Sd/-
Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271

Place : Gurgaon
Date : 2nd June 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of **Ester Industries Limited**

Report on the financial Statements

We have audited the accompanying financial statements of Ester Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its loss and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (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, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
      iv. The Company has provided requisite disclosures in Note 42 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Atul Seksaria**
Partner
Membership Number: 086370

New Delhi
June 2, 2017

Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: **Ester Industries Limited ("the Company")**

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company. It has been explained to us that the title deeds and possession letters of the freehold land and building has been given as security (mortgage and charge) against the term loans and working capital loans taken from banks and that original title deeds are kept with the lead Bank- Bank of India and Tata Capital Financial Services Ltd, as security for the lenders and therefore the same could not be made available to us for our verification and has also not been independently confirmed by the banks.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied by the Company. There are no other loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of polyester films and engineering plastics, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Dispute on MODVAT credit taken on chips used in yarn and on exempted clearance of chips. Demand raised for duty on removal of PET Chips in custody	30.04	July 87 to June 93 and Jan 95	Commissioner Central Excise (Noida)
Central Excise Act, 1944	Dispute on MODVAT credit taken on inputs and Capital Goods used in chips which were cleared at NIL duty.	173.86	March 90 to Feb 92 and Oct 94 to Feb 95	Commissioner (Appeals), Central Excise Ghaziabad
Central Excise Act, 1944	Dispute on disallowance of MODVAT on TEG as documents were more than six months old.	4.8	March 92	Customs, Excise, Service Tax Appellate Tribunal (Delhi)
The Customs Act, 1962	Demand for Custom Duty forgone on value based advance license.	57.71	June 93 to April 95	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Demand on PET Chips waste cleared at nil rate of duty. MEG received under chapter X after rescinding of Notification No. 34/87 CE. Inadmissibility of MODVAT credit against PBT Chips and Polyester films.	4.57	July 93 to May 94 and Feb to Aug 2000	Deputy Commissioner Central Excise, Rampur

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand raised on account of differences in stocks as per physical and book records.	7.72	November 1992	Commissioner Meerut II
Central Excise Act, 1944	Demand on shortages on inputs on department physical verification.	3.09	July 2010	Assistant Commissioner, Rampur
The Customs Act, 1962	Dispute on disallowance of remission on MEG lost in Transit and utilization of MODVAT credit	32.99	June 87 to Oct 88, March 91 to May 91 and 1993	Assistant Commissioner, Rampur
Central Excise Act, 1944	Reversal of cenvat credit on account of Inventory written off U/R 3(5B)	34.11	Financial Year 2008-2009 to 2013-14	Commissioner of Central Excise (Appeals), Meerut-II
Central Excise Act, 1944	Reversal of Cenvat credit availed on commission paid to selling agent.	123.05	Financial Year 2011-12 to 2012-2015	Commissioner of Central Excise (Appeals), Meerut-II
Finance Act, 1944	Service tax liability under reverse charge on permanent transfer of patent	14.55	Financial Year 2015-16	Assistant Commissioner, Audit-I, Circle Haldwani
Central Excise Act, 1944	Reversal of cenvat credit on the group insurance policy paid by the employer	1.74	April 2015 to May 2015	Assistant Commissioner, Audit-I, Circle Haldwani
The Customs Act, 1962	Non-compliance of the conditions prescribed under EPCG Authorization	15.8	Financial Year 2015-16	Additional Commissioner of Customs, New Delhi
Cenvat Credit Rules, 2004	Reversal of Cenvat credit availed on civil construction work services	0.29	January 2011 to January 2012.	Deputy Commissioner, Rampur
Finance Act, 1944	Demand for short payment of Service Tax against brokerage and commission	13.54	F.Y. 2011-12	Additional Commissioner, Meerut
Income Tax Act, 1961	Dispute on Disallowance of advertisement expenditure pursuant to Rule 6B of IT Rules, 1962 by ITAT	1.16	A.Y. 1993-94 to 1997-98	Income Tax-Assessing officer
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	0.47	A.Y. 1993-94 to 1994-95	Income Tax - Assessing officer.
Income Tax Act, 1961	Dispute on Disallowances of 50% of entertainment expenses on the contention of non participation of the employee for incurring such expenditure.	5.10	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, commission paid to agent, club expenses, provision for doubtful debts and expenses incurred on earning exempt income by invoking section 14A of the Act	16.94	A.Y. 2004-05 to 2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, bonus provision, expenses incurred on earning exempt income by invoking section 14A of the Act	18.15	A.Y. 2006-07 to A.Y. 2013-14	Commissioner of Income Tax (Appeals) Delhi & Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Disallowance of Deferred Tax for computing book profit for the purpose of levying MAT.	33.38	A.Y. 2004-05	Supreme Court
Income Tax Act, 1961	Dispute on disallowances of export commission paid by the company.	45.74	A.Y. 2014-15	Commissioner of Income Tax (Appeals) Delhi.

viii In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of borrowings to a financial institution and banks. The company does not have any dues outstanding to debenture holders.

ix In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The company has not raised any money by way of initial public offer / further public offer / debt instrument during the year.

x Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

xi According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Atul Seksaria**
Partner
Membership Number: 086370

New Delhi
June 2, 2017

Annexure 2 referred to in paragraph 2 of our report of even date under section 'Report on other legal and regulatory requirements'

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ester Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its 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 Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Atul Seksaria**
Partner
Membership Number: 086370

New Delhi
June 2, 2017

BALANCE SHEET as at March 31, 2017

(Rs. in lacs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	4,169.69	4,169.69
Reserves and surplus	4	23,568.52	25,153.38
		27,738.21	29,323.07
Non - current liabilities			
Long term borrowings	5	6,769.84	9,702.47
Deferred tax liability (net)	6	2,254.13	2,798.27
Long term provisions	7	696.96	648.16
		9,720.93	13,148.90
Current liabilities			
Short term borrowings	8	19,976.93	18,186.93
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		46.79	51.85
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,861.81	2,323.48
Other current liabilities	10	5,745.87	5,596.12
Short term provisions	7	282.13	283.58
		27,913.53	26,441.96
TOTAL		**65,372.67**	**68,913.93**
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	11	37,983.87	38,163.82
Intangible assets	11	293.65	335.53
Capital work in progress		173.77	2,347.74
Non-current investment	12	-	1.71
Long term loans and advances	13	694.32	741.84
Other non-current assets	14	74.17	13.46
		39,219.78	41,604.10
Current assets			
Current investment	12	20.00	39.72
Inventories	15	11,739.72	12,837.04
Trade receivables	16	11,627.37	11,220.48
Cash and bank balances	17	657.10	779.93
Short term loans and advances	13	1,754.84	1,966.44
Other current assets	14	353.86	466.22
		26,152.89	27,309.83
TOTAL		**65,372.67**	**68,913.93**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **S.R. Batliboi and Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership no. 086370

Place : New Delhi
Date : June 2, 2017

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2017

(Rs. in Lacs)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations (gross)	18	77,363.60	84,059.58
Less: - Excise duty		6,674.02	6,977.62
Revenue from operations (net)		70,689.58	77,081.96
Other income	19	394.13	482.16
Total revenues (I)		**71,083.71**	**77,564.12**
Expenses			
Cost of material consumed	20	45,575.96	49,921.97
(Increase) / decrease in inventories of finished goods and work in progress	21	1,104.94	(1,068.64)
Employee benefits expense	22	4,611.34	4,619.26
Other expenses	23	15,174.70	16,570.58
Total expenses (II)		**66,466.94**	**70,043.17**
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)		**4,616.77**	**7,520.95**
Depreciation and amortisation expense	11	2,952.78	3,236.25
Finance costs	24	3,302.78	3,601.43
Profit / (Loss) before tax		**(1,638.79)**	**683.27**
Tax expense			
Current tax		-	170.21
Mat credit		-	(170.21)
Deferred tax		(544.15)	227.21
Total tax expenses		**(544.15)**	**227.21**
Profit / (Loss) after tax		**(1,094.64)**	**456.06**
Earnings per share			
Basic (in Rs.)	25	(1.31)	0.57
Diluted (in Rs.)	25	(1.31)	0.57
{Nominal value per share Rs. 5 (previous year Rs. 5)}			
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.R. Batliboi and Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership no. 086370

Place : New Delhi
Date : June 2, 2017

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

CASH FLOW STATEMENT for the Year ended March 31, 2017

(Rs. in Lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(1,638.79)	683.27
Adjustments for:		
Depreciation/Amortisation	2,952.78	3,236.25
Loss on fixed assets sold/discarded (net)	4.40	21.75
Interest expense	2,914.96	3,173.41
Interest income	(106.07)	(185.91)
Premium on forward contracts amortised	28.01	(25.80)
Unrealized foreign exchange loss (net)	(107.09)	(28.34)
Bad debts, advances and irrecoverable balances written off (net)	79.64	157.93
Provision for obsolete inventories	3.92	131.82
Provision for diminution in the value of investment	1.43	0.28
Profit on sale of Investment	(1.60)	(11.39)
Provisions / liabilities no longer required written back	(96.57)	(139.90)
Operating profit before working capital changes	**4,035.02**	**7,013.37**
Movements in working capital :		
Decrease / (Increase) in trade receivables	(450.58)	428.12
Decrease / (Increase) loans and advances/other current assets	276.92	111.96
Decrease / (Increase) in inventories	1,093.40	(202.03)
Increase / (Decrease) in trade and other payables/ provisions	(569.51)	911.50
Cash generated from operations	4,385.25	8,262.92
Direct taxes paid (net of refunds)	6.90	(120.82)
Net cash flow from operating activities (a)	**4,392.15**	**8,142.10**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,233.34)	(2,370.46)
Sale of fixed assets	72.49	46.55
Investment in bank deposits	(562.05)	(154.30)
Proceeds of deposits matured	579.29	304.83
Purchase of investment	(10.00)	(336.01)
Sale of investment	31.60	307.40
Interest received	119.33	182.61
Net cash flow used in investing activities (b)	**(1,002.68)**	**(2,019.38)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings (net)	1,873.11	(2,550.71)
Proceeds from long term borrowings	1,836.83	2,236.66
Repayment of long term borrowings	(4,211.70)	(5,606.28)
Issue of share capital	-	1,571.51
Interest paid	(2,926.40)	(3,180.90)
Dividend paid	(6.19)	(5.99)
Net cash flow used in financing activities (c)	**(3,434.35)**	**(7,535.71)**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**(44.88)**	**(1,412.99)**
Cash and cash equivalents at the beginning of the year	206.86	1,619.85
Cash and cash equivalents at the end of the year	**161.98**	**206.86**
Components of cash and cash equivalents		
Cash on hand	5.99	15.54
Balances with scheduled banks :		
- On current Accounts	97.87	127.01
- On term deposits	569.29	586.53
- On unpaid dividend accounts*	58.12	64.31
Cash and bank balances	731.27	793.39
Less: fixed deposits not considered as cash and cash equivalents		
- Deposit having maturity period more than 3 months	569.29	586.53
	161.98	**206.86**

* The company can utilize these balances only toward settlement of the respective unpaid dividend.

As per our report of even date

For **S.R. Batliboi and Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership no. 086370

Place : New Delhi
Date : June 2, 2017

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

NOTES TO FINANCIAL STATEMENT for the year ended March 31, 2017

1. Nature of operations

Ester Industries Limited (hereinafter referred to as 'the Company') is a manufacturer of polyester film and engineering plastics.

2. Statement of significant accounting policies

a) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b) Change in accounting policy

i) Accounting for assets earlier carried at revalued amount

The company had revalued land and building and plant and machinery during 1992 and was carried at revalued amount under the pre-revised AS 10. Under the AS 10 (R), the company has applied cost model on all the items of property, plant and equipment. As per the transitional provision under AS 10 (R), where a company does not adopt the revaluation model as its accounting policy but the carrying amount of item(s) of PPE reflects any previous revaluation, the company should adjust the amount outstanding in the revaluation reserve against the carrying amount of that item. However, the carrying amount of that item should not be less than residual value. Any excess of the amount outstanding as revaluation reserve over the carrying amount of that item should be adjusted in revenue reserves. Accordingly, the company has adjusted the balance of revaluation reserve against land & building and plant & machinery, resulting in reduction in land and building and plant and machinery and revaluation reserve by Rs. 490.22 lacs. This has resulted in reduction of depreciation by Rs. 14.61 lacs, with a consequential impact on loss for the year.

ii) Classification of items of stores and spares

Pre-revised AS 10 required that stand-by and servicing equipment should normally be capitalized as property, plant and equipment. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

According to AS 10 (R), all spare parts, stand-by and servicing equipment qualify as property, plant and equipment (PPE) if they meet the definition of PPE i.e. if the company intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per AS 10 (R).

The company has changed its accounting policy of property, plant and equipment to comply with AS 10 (R). The company has applied transitional provisions, which requires previously recognized stores and spares as inventory should be capitalized as a PPE at its carrying amount and depreciated prospectively over its remaining useful life.

Had the company continued to use the earlier policy of classifying stores and spares as inventories, its financial statements for the period would have been impacted as below:

Inventories would have been higher by Rs 86.68 lacs, Net block of property, plant and equipment would have been lower by Rs. 73.07 lacs, depreciation would have been lower by Rs 13.61 lacs. Loss for the current period would have been lower by Rs 13.61 lacs (net of tax impact of Rs 9.12 Lacs).

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, 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 discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or 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.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

e) Depreciation on property, plant and equipment

i) Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; 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.

	Useful lives estimated by the management(years)
Factory buildings*	2 to 29.94
Administrative Buildings	12 to 61.35
Plant and machinery*	2 to 40
Furniture and fixtures*	5 to 15.79
A.C. and Refrigeration	10
Office equipment*	2-10
Computers*	6.16
Vehicles	8
Batteries under UPS project (Plant and Machinery)*	5

* 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 the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The life of plant and machinery based on triple shift working.

ii) Leasehold improvements are depreciated on life based on lease period.

iii) Fixed assets costing below Rs. 5,000 are depreciated at the rate of 100% per annum.

iv) Depreciation on the amount of additions made to fixed assets due to up gradations / improvements is provided over the remaining useful life of the asset to which it relates.

v) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

f) Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. 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 costs is capitalized in the year of acquisition. Patent is amortized on a straight-line basis over its useful life, which is considered to be of a period of 5.26 years.

g) Impairment of assets

i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

ii) After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

iii) 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.

h) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

i) Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

j) 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

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 of finished goods includes excise duty. 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.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Export Benefit

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.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Policy for Insurance Claims

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

l) Foreign currency transactions

Initial Recognition

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

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the year.

ii) All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

m) Retirement and other employee benefits

i. Retirement benefits in the form of Superannuation Fund (being funded to LIC), Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective authorities. The Company recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Retirement benefit in the form of provident Fund (Where administered by trust created and managed by Company) is a defined benefit obligation of the company and the contributions are charged to Statement of profit and loss of the year when the contribution to the respective funds are due. Shortfall in the funds, if any, is adequately provided for by the company based on the actuarial valuation on projected unit credit method carried out at the end of each financial year.

iv. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

n) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation and carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The

Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) 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 an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

q) Segment Reporting Policies

Identification of segments:

Primary Segment

Business Segment

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of Polyester film and Engineering plastics.

Secondary Segment

Geographical Segment

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Inter Segment Transfers:

Inter Segment transfers of goods, as marketable products produced by separate segments of the Company for captive consumption, are not accounted for in the books of account of the Company. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs:

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items:

Corporate income and expense are considered as a part of un-allocable income and expense, which are not identifiable to any business segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

r) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Contingent liabilities

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.

t) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

u) Measurement of EBITDA

As permitted by the guidance note on revised schedule III to the Companies Act, 2013, the company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company includes interest income but does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Authorized shares		
15,00,00,000 (previous year: 15,00,00,000) equity shares of Rs. 5 /- each	7,500.00	7,500.00
4,79,60,000 (previous year: 4,79,60,000) equity shares of Rs. 10/- each	4,796.00	4,796.00
6,00,000 (previous year: 6,00,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
80,00,000 (previous year: 80,00,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
Issued, subscribed and fully paid up shares		
8,33,93,759 (previous year: 8,33,93,759) equity shares of Rs. 5 /- each fully paid	**4,169.69**	**4,169.69**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

	As at March 31, 2017	As at March 31, 2016
No. of shares outstanding at the beginning	**83,393,759**	62,643,759
Nil (previous year 2,07,50,000) equity shares allotted on conversion of warrants	-	20,750,000
No. of shares outstanding at the end of the period	**83,393,759**	83,393,759

b) Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

c) Shares held by holding/ultimate holding company and/or their subsidiaries / their associates

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Wilemina Finance Corp., holding company		
4,49,15,012 (previous year 4,49,15,012) equity shares of Rs. 5 each fully paid	2,245.75	2,245.75

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

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
99,72,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	498.64	498.64

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

	As at March 31, 2017 %	As at March 31, 2016 %
Wilemina Finance Corp., holding company		
4,49,15,012 (previous year 4,49,15,012) equity shares of Rs. 5 each fully paid	53.86	53.86
Vettel International Limited, Public Shareholder*		
1,52,85,091 (previous year 2,07,50,000) equity shares of Rs. 5 each fully paid	18.33	24.88

*Vettel International Ltd (VIL) and Globe Capital Market Ltd (GCML) have intimated to the Company that out of the above-stated shareholding of VIL, 23,35,091 equity shares (previous year Nil) are held by GCML, as the custodian of VIL and VIL is the legal and beneficial owner of the 1,52,85,091 equity shares (previous year 2,07,50,000) as on March 31, 2017.

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Capital reserve	**3,520.74**	**3,520.74**
Capital redemption reserve	**335.37**	**335.37**
Securities premium account		
Balance as per last financial statements	6,121.01	5,062.76
Add: Premium increased on account of shares issued on conversion of warrants	-	1,058.25
Closing balance	**6,121.01**	**6,121.01**
Revaluation reserve		
Balance as per last financial statements	490.22	504.83
Less: Transferred to general reserve	-	14.61
Less: Amount adjusted against Plant and Machinery pursuant to applicability of AS-10 (R) (Refer note 11)	336.67	-
Less: Amount adjusted against land and building pursuant to applicability of AS-10 (R) (Refer note 11)	153.55	-
Closing balance	**-**	**490.22**
General reserve		
Balance as per last financial statements	1,528.67	1,514.06
Add: Transferred from revaluation reserve	-	14.61
	1,528.67	**1,528.67**
Surplus in the statement of profit and loss		
Balance as per last financial statements	13,157.37	12,701.31
Add: Profit / (loss) for the year	(1,094.64)	456.06
Net surplus in the statement of profit and loss	**12,062.73**	**13,157.37**
Total reserve and surplus	**23,568.52**	**25,153.38**

5. Long-term borrowings

(Rs. in lacs)

	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Secured				
Term loans from banks	4,186.18	6,947.72	3,823.38	3,570.77
Term loans from financial institution	1,806.72	1,640.78	322.64	59.22
Vehicle loans	100.37	134.14	90.72	104.71
Buyers' credit for capital goods	676.57	979.83	-	-
	6,769.84	**9,702.47**	**4,236.74**	**3,734.70**
Amount disclosed under the head "other current liabilities" (Refer note 10)	-	-	(4,236.74)	(3,734.70)
Total Long-term borrowings	**6,769.84**	**9,702.47**	**-**	**-**

I. Term loans

a) **From Bank of India** of Rs. 475.24 lacs (previous year Rs. 378.00 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant # 1 and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder & UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loans are repayable in 20 quarterly installments starting from June 2014.

b) **From Bank of India** of Rs. 1100.00 lacs (previous year Rs. 1600.00 Lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the rate base rate plus 3.25% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from March 31, 2015.

c) **From Bank of Baroda** of Rs. 550.00 lacs(previous year Rs.750.00 lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current asstes and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the MCLR plus 3.5% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from April 1, 2015.

d) **From Union Bank of India** of Rs.233.75 lacs (previous year Rs.420.75 lacs) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2013.

e) **From Union Bank of India** of Rs.494.79 lacs (previous year Rs. 714.79 lacs) for Bio Mass (Husk) fuelled Thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass (Husk) fuelled Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2014.

f) **From State Bank of Bikaner and Jaipur** of Rs. Nil (previous year Rs. 250.65 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The loan has been fully repaid in current year.

g) **From State Bank of Bikaner and Jaipur** of Rs.900 lacs (previous year Rs. Nil) is secured by first Pari Passu charge over the fixed assets of the company (excluding assets that are exclusively charged with Tata Capital) both present and future and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. The term loan bears floating interest at the MCLR plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from December 2016.

h) **From Tata Capital Financial Services Ltd** of Rs. 2129.36 lacs (previous year Rs. 1700 lacs) has been sanctioned for repayment of outstanding dues of Karnataka Bank and augmentation of Working Capital. The term loan is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and first & Exclusive charge over the hypothecation of certain plant & machinery installed at factory premises at Uttrakhand and further secured by Personal Guarantee of Mr. Arvind Singhania. The term loan bears floating interest at the LTLR minus 6.50% pa. Out of Rs. 2129.36 lacs, Rs. 77.35 lacs is repayable in 41 monthly installments starting from April 24, 2016 and balance Rs. 2052.01 lacs is repayable in 48 monthly installments starting from October 24, 2016.

i) **From consortium member banks namely Bank of Baroda** of Rs. 847.89 lacs (previous year Rs. 1276.47 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company) and Personal Guarantee of Mr. Arvind Singhania. The term loans bear floating interest rate at the MCLR plus 3.00%. These term loans are repayable in 28 quarterly installments starting from April 1, 2012.

j) **From consortium member banks namely Bank of India,Union Bank of India, Canara Bank and State Bank of Bikaner & Jaipur** of Rs. 3407.89 lacs (previous year Rs. 5127.84 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loans bear floating interest rate ranging from base rate plus 2.75% pa to 3.00% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012.

Term Loan from banks are further secured by second charge by way of hypothecation of stocks of raw material, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future)

II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 8.25% to 11.25% pa. These loans are repayable in monthly installments till January 2022.

III. **Buyers' credit for capital goods**

a) Buyers' Credit amounting to Rs. 676.57 lacs (previous year Rs. 979.83 lacs) are against LOUs / LOCs issued by Bank of India. LOUs / LOCs facility from BOI is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company)

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 676.57 lacs (previous year - Rs. 979.83 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till March 2018.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.351% to 0.401%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 8 quarterly installments.

6. Deferred tax liability (Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,727.02	4,434.10
Gross deferred tax liability	**4,727.02**	**4,434.10**
Deferred tax assets		
Unabsorbed depreciation	2,098.98	1,273.43
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	373.91	362.40
Gross deferred tax assets	**2,472.89**	**1,635.83**
Net deferred tax liability	**2,254.13**	**2,798.27**

7. Provisions (Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Long term provisions		
Provision for gratuity (refer note 29)	672.31	622.41
Provision for compensated absence	24.65	25.75
Total long term provision	**696.96**	**648.16**
Short term provisions		
Provision for taxation (net of advance tax payments)	58.84	62.32
Provision for gratuity (refer note 29)	54.42	58.12
Provision for compensated absence	168.87	163.14
Total short term provision	**282.13**	**283.58**
Total provisions	**979.09**	**931.74**

8. Short term borrowings

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Secured		
Working capital loan from banks	9,043.87	8,367.66
Bills discounting	4,049.23	3,888.02
Buyers' credit for raw material	2,487.85	2,385.41
Acceptances	4,395.98	3,545.84
Total short term borrowings	**19,976.93**	**18,186.93**

Working capital loan, bills discounting and acceptances: These loans are secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (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.

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 1.25% to 3.00% pa. The bill discounting from banks bear floating interest rate ranging from 8.40% to 11.55% pa.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company) and Personal Guarantee of Mr. Arvind Singhania. Buyers' credit for raw material taken in USD, Euro & JPY bears interest rate ranging from 0.26% to 2.47% pa.

9. Trade payable

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Trade payables		
Total outstanding dues of micro and small enterprises (refer note 33)	46.79	51.85
Total outstanding dues of other than micro and small enterprises	1,861.81	2,323.48
Total trade payables	**1,908.60**	**2,375.33**

10. Other current liabilities

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term borrowings (refer Note 5)	4,236.74	3,734.70
Capital creditors	482.07	563.50
Interest accrued but not due on borrowings	24.30	35.75
Deposits from dealer / customer and others	34.89	18.63
Advances from customers	197.08	316.91
Investor education and protection fund will be credited by this amount (as and when due) - Unpaid dividend	58.12	64.31
Others payables		
- dues to statutory authorities	88.83	147.15
- others	623.84	715.17
Total other current liabilities	**5,745.87**	**5,596.12**

11. Fixed Assets

(Rs. in lacs)

Description	Gross block					Accumulated depreciation / amortisation					Net block	
	April 1, 2016	Additions	Adjustment *	Deductions	March 31, 2017	April 1, 2016	Current year	Adjustment *	Deductions	March 31, 2017	March 31, 2017	March 31, 2016
Property, Plant and Equipment												
Land - freehold	1,693.29	-	39.93	-	**1,653.36**	-	-	-	-	**-**	**1,653.36**	1,693.29
Buildings	8,090.95	321.42	526.23	-	**7,886.14**	2,364.07	201.60	412.61	-	**2,153.06**	**5,733.08**	5,726.88
Plant and machinery (i)	67,779.91	2,774.12	6,733.37	97.49	**63,723.17**	38,183.70	2,447.88	6,396.70	87.39	**34,147.49**	**29575.68**	29,596.21
Furniture and fixtures	482.24	31.62	-	1.52	**512.34**	134.00	32.63	-	1.03	**165.60**	**346.74**	348.24
Office equipments	771.08	26.80	-	15.88	**782.00**	458.91	80.69	-	13.38	**526.22**	**255.78**	312.17
Vehicles	890.66	96.93	-	117.75	**869.84**	403.63	100.91	-	53.93	**450.61**	**419.23**	487.03
Intangible assets												
Software	461.03	51.69	-	-	**512.72**	431.32	24.96	-	-	**456.28**	**56.44**	29.71
Patent (i)	332.41	(4.50)	-	-	**327.91**	26.59	64.11	-	-	**90.70**	**237.21**	305.82
Total	**80,501.57**	**3,298.08**	**7,299.53**	**232.64**	**76,267.48**	**42,002.22**	**2,952.78**	**6,809.31**	**155.73**	**37,989.96**	**38,277.52**	**38,499.35**
Previous year	**78,970.03**	**1,871.27**	**-**	**339.73**	**80,501.57**	**39,037.39**	**3,236.25**	**-**	**271.41**	**42,002.22**	**38,499.35**	**39,932.63**

(i) (a) Amount of borrowing cost aggregating Rs. 67.67 lacs (Previous year Rs. 148.26 lacs) have been capitalised during the year.
Plant and Machinery - Rs. 67.67 lacs (previous year Rs. 148.26 lacs)

(b) Foreign Exchange Fluctuation capitalized / de-capitalised as follows: - .

Plant and machinery Rs. 55.71 lacs de-capitalized during the year (previous year Rs. 64.68 lacs capitalized)

Patent Rs. 4.50 lacs de-capitalized during the year (previous year Nil)

* Gross block of Property, Plant and Equipment (PPE)includes Rs. Nil (previous year Rs. 7,299.53 lacs) being the amount added on revaluation of PPE.

Revaluation was carried out by an expert valuer as per "Existing Use Value" method using prevailing market prices of the assets and where such prices were not available, RBI indices were used. Details of additions due to revaluation during 1992 are as follows:

Land: Rs. Nil (previous year Rs. 39.93 lacs)

Building: Rs. Nil (previous year Rs. 526.23 lacs)

Plant and Machinery: Rs. Nil (previous year Rs. 6,733.37 lacs)

In Current year, pursuant to applicability of AS-10 (R), the outstanding amount of Rs. 490.22 lacs in Revaluaion reserve account has been adjusted against Gross Block of PPE by Rs. 7,299.53 lacs and accumulated depreciation by Rs. 6,809.31 lacs, as under:

	Adjusted from Gross block	Adjusted from Accumulated depreciation
Land	Rs. 39.93 lacs	Nil
Building	Rs. 526.23 lacs	Rs. 412.61 lacs
Plant and Machinery	Rs. 6,733.37 lacs	Rs. 6,396.70 lacs
Total	Rs. 7,299.53 lacs	Rs. 6,809.31 lacs

This adjustment has no effect on the loss of the Company for the year.

12. Investments

Non-current investments

(Rs. in lacs)

		As at March 31, 2017	As at March 31, 2016
A.	**Other than trade - quoted (valued at cost unless stated otherwise)**		
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Limited	0.04	0.04
	- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Enterprises Limited	0.03	0.03
	- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Limited	0.10	0.10
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Limited	0.11	0.11
		0.28	**0.28**
	Less: Provision for diminution in the value of investments	0.28	0.10
		-	**0.18**
B.	**Other than trade - unquoted (valued at cost unless stated otherwise)**		
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Limited	0.04	0.04
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Limited	0.08	0.08
	- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up JSW Ispat Steel Limited	4.31	4.31
		4.43	**4.43**
	Less : Provision for diminution in the value of investment JSW Ispat Steel Limited	4.43	2.90
		-	**1.53**
C.	**In subsidiary companies (valued at cost unless stated otherwise)**		
	Other than trade (unquoted, fully paid up)		
	- NIL (previous year 25,000) equity shares of Rs. 1 each fully paid Ester International [USA] Ltd.*	-	9.69
	(A company under the same management)		
*	Since Ester International (USA) Limited (EIUL), a wholly owned subsidiary of the Company in USA did not have any operation for last many years, the Board of Directors of the Company decided to dissolve EIUL. Accordingly EIUL was voluntarily dissolved on September 09, 2016 vide dissolution certificate issued by Department of Treasury, State of New Jersey, USA. The total financial impact of liquidation of EIUL is Rs.18.63 Lacs which has been charged off to the statement of profit and loss account.		
	Less : Provision for diminution in the value of investment	-	9.69
		-	**1.71**
Aggregate amount of quoted investments (net of provision)		-	0.18
Aggregate amount of unquoted investments (net of provision)		-	1.53
Total non -current investment net of provisions		**-**	**1.71**

Current investments (valued at lower of cost and fair value, unless stated otherwise)

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Nil (previous year 45,775.389) units of SBI- Corporate Bond Fund - Regular plan - Growth of Rs. 10.00 each fully paid up	-	10.00
99,990 (previous year 99,990)units of BOI AXA- capital protection oriented Fund of Rs. 10.00 each fully paid up	10.00	10.00
100,000 units (previous year NIL) of Canara Robeco MF of Rs.10 each fully paid up	10.00	-
Nil (previous year 1150.91) units of BOI AXA- Liquid Fund - Direct Plan - Growth.	-	20.00
Less: provision for diminution in the value of Investments	-	0.28
Total Current investment net of provisions	**20.00**	**39.72**
Aggregate amount of quoted investments (market value Rs. 20.71 lacs, (previous year Rs. 40.71 lacs) (net of provision)		

13. Loans and advances

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Non-current		
Unsecured, considered good		
Capital advances	61.56	89.47
Prepaid expenses	38.23	31.15
Deposits-others	594.53	553.33
Loans and advances to related parties (Refer note 34)	-	67.89
Total (A)	**694.32**	**741.84**
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	549.68	555.47
Prepaid expenses	259.34	349.10
Advance tax and tax deducted at source (net of provision of tax)	116.05	126.43
MAT credit entitlement	571.54	571.54
Balances with statutory / Government authorities	206.64	297.15
Loans to employees	51.59	66.75
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	1,786.75	**1,998.35**
Less: provision for doubtful advances	31.91	31.91
Total (B)	**1,754.84**	**1,966.44**
Total (A+B)	**2,449.16**	**2,708.28**

14. Other assets

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Non-current		
Unsecured, considered good		
Other bank balances (refer note 17)	74.17	13.46
Total other non-current assets	**74.17**	**13.46**
Current		
Unsecured, considered good		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	-	29.34
Interest receivable on fixed deposits	16.94	30.20
Export benefit receivable	340.87	400.72
Unamortized premium on forward contracts	0.39	10.30
	358.20	**470.56**
Less: provision for doubtful export benefit receivable	4.34	4.34
Total other current assets	**353.86**	**466.22**
Total other assets	**428.03**	**479.68**

15. Inventory (at lower of cost or net realizable value)

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Raw materials {including stock in transit Rs. 1,093.56 lacs (previous year Rs. 1,092.63 lacs)}	4,881.04	4,957.31
Work in process	925.60	1,017.65
Finished goods {including stock in transit Rs. 1,187.15 lacs (previous year Rs. 1,283.05 lacs)}	4,778.37	5,791.26
Stores and spares {including stock in transit Rs.25.72 lacs (previous year Rs. 12.43 lacs)}	1,154.71	1,070.82
Total inventories	**11,739.72**	**12,837.04**

16. Trade receivables

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	43.21	57.43
Doubtful	209.36	187.92
	252.57	**245.35**
Less: Provision for doubtful trade receivables	209.36	187.92
Total (A)	**43.21**	**57.43**
Other receivables		
Un-secured, considered good	11,584.16	11,163.05
Total (B)	**11,584.16**	**11,163.05**
Total (A+B)	**11,627.37**	**11,220.48**

17. Cash and bank balances

(Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	5.99	15.54
Balances with banks in current accounts	97.87	127.01
Unpaid dividend accounts *	58.12	64.31
Total (A)	**161.98**	**206.86**
Other bank balance		
Deposits with original maturity of more than 3 months but up to 12 months	163.37	342.21
Deposits with original maturity of more than 12 months	405.92	244.32
Total (B) **	**569.29**	**586.53**
Total Cash and Bank Balance (A+B)	**731.27**	**793.39**
Less:- Amount disclosed under non-current assets (refer note 14)	(74.17)	(13.46)
Cash and Bank Balance	**657.10**	**779.93**

* The company can utilize these balances only toward settlement of the respective unpaid dividend.

** Margin money deposit of Rs. 569.29 lacs (previous year Rs. 586.53 lacs) are subject to lien of lending banks for securing Letter of credit and Bank Guarantee facilities sanctioned by them.

18. Revenue from operations

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products	76,731.84	83,216.68
Other operating revenue	631.76	842.90
Revenue from operations (gross)	**77,363.60**	**84,059.58**
Less: Excise duty	6,674.02	6,977.62
Revenue from operations (net)	**70,689.58**	**77,081.96**

Excise duty on sales amounting to Rs. 6,674.02 lacs (previous year Rs. 6,977.62 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase/(decrease) of stock (Rs.43.38 lacs) (previous year Rs. 89.77 lacs) has been considered as expenses/ (income) in note 23 of the financial statements.

Other operating revenue comprises the following income: (Rs. in lacs)

Other operating revenue	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales of scrap	78.39	54.87
Export incentive from FMS/MEIS	252.62	283.39
Drawback earned	300.75	504.64
	631.76	**842.90**

Details of goods sold

	March 31, 2017		March 31, 2016	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	-	-	2,940	2,249.56
Speciality polymers	2,671	4,434.45	3,540	6,753.90
Polyester films	51,201	55,811.17	48,967	56,700.96
Engineering plastics	10,876	16,201.70	10,948	17,445.34
Others		284.52		66.92
Total		**76,731.84**		**83,216.68**

19. Other income

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on:		
- Fixed deposits {tax deducted at source Rs. 4.5 lacs (previous year Rs. 5.75 lacs)}	43.42	58.27
- Trade receivable {tax deducted at source Rs.0.39 lacs (previous year Rs. 4.40 lacs)}	20.07	72.43
- Others {tax deducted at source Rs. 4.04 lacs (previous year Rs. 4.42 lacs)}	42.58	55.21
Insurance claim	26.35	19.79
Profit on sale of investments	1.60	11.39
Dividend	0.01	0.01
Provisions / liabilities no longer required written back	96.57	139.90
Foreign exchange fluctuation gain (net)	147.13	-
Premium on forward contract amortised	-	25.80
Miscellaneous income	16.40	99.36
Total other income	**394.13**	**482.16**

20. Cost of raw material consumed

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of raw material consumed	45,575.96	49,921.97
Total	**45,575.96**	**49,921.97**

Details of raw material consumed

	March 31, 2017		March 31, 2016	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
PTA	46,258	22,094.82	49,267	23,343.11
MEG	18,349	9,633.47	19,733	10,616.27
PBT chips	5,108	4,577.54	5,689	5,582.39
NYLON	2,873	3,111.83	2,903	3,662.53
Others		6,158.30		6,717.67
Total		**45,575.96**		**49,921.97**

Inventory of raw material

	March 31, 2017 Value (Rs. in lacs)	March 31, 2016 Value (Rs. in lacs)
PTA	631.66	476.90
MEG	749.77	423.32
PBT chips	750.18	1,226.69
NYLON	829.24	503.35
Others	1,920.19	2,327.05
	4,881.04	**4,957.31**

21. (Increase) / decrease in inventories

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016	(Increase) / Decrease
Closing stock			
- Finished goods	4,778.37	5,791.26	1,012.89
- Work in process	925.60	1,017.65	92.05
	5,703.97	**6,808.91**	**1,104.94**
Opening stock			
- Finished goods	5,791.26	5,129.27	(661.99)
- Work in process	1,017.65	611.00	(406.65)
	6,808.91	**5,740.27**	**(1,068.64)**
Total (Increase) / Decrease	**1,104.94**	**(1,068.64)**	

Inventory of finished goods

	March 31, 2017		March 31, 2016	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	1,135.99	608.23	1,250.90	748.50
Speciality Polymers	983.77	1,127.84	853.04	988.63
Polyester films	1,757.54	1,686.19	1,622.50	1,588.76
Engineering plastics	789.57	1,021.15	1,164.67	1,579.98
Recycled polyester chips	738.81	334.96	977.14	885.39
		4,778.37		**5,791.26**

Inventory of work in progress

	March 31, 2017 Value (Rs. in lacs)	March 31, 2016 Value (Rs. in lacs)
Polyester chips	165.26	168.91
Speciality Polymers	90.71	84.89
Polyester films	405.41	572.74
Engineering plastics	264.22	191.11
	925.60	**1,017.65**

22. Employee benefit expenses

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	3,960.26	3,932.95
Contribution to provident and other funds	287.85	290.80
Gratuity (refer note 29)	131.75	125.94
Staff welfare expenses	231.48	269.57
	4,611.34	**4,619.26**

23. Other expenditure

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Manufacturing expenses		
Consumption of stores and spare parts	1,172.82	1,272.70
Consumption of packing material	1,643.44	1,724.24
Power and fuel	5,617.07	6,292.76
Material handling charges	434.43	452.54
Increase / (decrease) in excise duty on closing stock	(43.38)	89.77
Total manufacturing expenses (A)	**8,824.38**	**9,832.01**
Selling expenses		
Freight	2,646.15	2,656.35
Commission and brokerage (other than sole selling agents)	302.56	285.73
Discount, claims and rebates	418.20	268.56
Others	0.11	0.07
Total selling expenses (B)	**3,367.02**	**3,210.71**
Administration and other expenses		
Rent	54.78	70.28
Rates and taxes	189.83	29.76
Insurance	213.93	259.28
Repairs and maintenance		
- Building	49.75	36.18
- Plant and machinery	237.46	220.73
- Others	137.10	185.39
CSR Expenditure (refer note 41)	23.06	2.91
Travelling and conveyance	615.86	840.39
Communication costs	92.98	106.74
Legal and professional charges	508.16	620.05
Printing and stationery	20.73	27.10
Donations (other than political parties)	0.61	7.71
Directors sitting fees	4.25	4.40
Auditors' remuneration		
- Statutory audit fee	19.19	19.09
- Limited review fee	15.16	15.02
- Out of pocket expenses	2.07	0.60
Loss on fixed assets sold / discarded	4.40	21.75
Bad debts, advances and irrecoverable balances written off	79.64	153.59
Foreign exchange fluctuation loss (net)	-	131.82
Povision for doubtful Export benefit receivable	-	4.34
Povision for doubtful debts	1.28	-
Provision for dimunition in the value of investment	1.43	0.28
Provision for obsolete inventory	3.92	8.92
Premium on forward contract amortised	28.01	-
Miscellaneous expenses	679.70	761.53
Total administrative and other expenses (C)	**2,983.30**	**3,527.86**
Total other expenses (A+B+C)	**15,174.70**	**16,570.58**

24. Finance cost (Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- on term loans	1,416.53	1,718.69
- on working capital	1,462.53	1,417.71
- on buyers' credit facilities	35.90	36.96
- on Statutory dues	0.05	0.05
Bank charges	387.77	428.02
	3,302.78	**3,601.43**

25. Earning per share (EPS)

	Year ended March 31, 2017	Year ended March 31, 2016
Net profit / (loss) for calculation of basic /diluted EPS (Rs. In lacs)	(1,094.64)	456.06
Weighted average number of equity shares	83,393,759	80,332,284
Weighted average number of equity shares for calculating basic / diluted EPS	83,393,759	80,332,284
Basic EPS (in Rs.)	(1.31)	0.57
Diluted EPS (in Rs.)	(1.31)	0.57

26. Capital commitments (Rs. in lacs)

	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	306.03	299.36

Capital Commitments are on account of upgradation in Speciality Polymer Plants and Film Plant.

27. Contingent liabilities (Rs. in lacs)

		As at March 31, 2017	As at March 31, 2016
(A)	**Excise Duty and Customs Duty pending hearing of appeals/writ petitions:**		
(i)	Cenvat credit disallowed on inputs (for the period March 1990 to Mar 1991) not covered under rule 57A, mainly Santotherm, Diethyl Glycol, Delion etc. Disallowance was due to use of inputs for manufacture of exempted goods.	8.06	8.06
(ii)	Removal of PET chips (exempted goods) from bonded warehouse without payment of duty.	3.00	3.00
(iii)	Goods sold from depot at higher value than one declared at factory gate price for the period Jun 1988 to Mar 1992.	25.46	25.46
(iv)	Cenvat credit disallowed on inputs like DMT, additives etc. for the manufacturing of polyester chips. Disallowance was due to use of inputs for manufacturing of exempted goods.	164.20	164.20
(v)	Reversal of Cenvat credit availed on HSD. Department disallowed credit alleging that cenvat credit has been wrongly availed on HSD.	-	206.92
(vi)	Cenvat credit availed on raw material. Disallowance on account of credit availed fully on raw material and not on pro-rata basis for clearance of dutiable goods i.e. polyester films.	11.72	11.72
(vii)	Availment of credit on import of Dimethyl Terephalate. Disallowance was due to use of inputs for manufacturing of exempted goods.	57.71	57.71
(viii)	Cenvat credit of Rs. 0.59 lacs not admissible on shape and section as capital goods and Rs. 2.5 lacs recoverable against shortage of cenvatable inputs.	3.09	3.09
(ix)	Demand raised on account of excess/shortfall in stocks alleged by preventative staff.	12.95	12.95
(x)	Other Miscellaneous Cases	34.10	33.82
Total (A)		**320.29**	**526.93**

(B)	**Show cause notices related to Service Tax and Excise rebate on export**		**13.54**	**13.54**
(C)	**Income Tax:**			
	(i)	Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1993-94 to 1997-98 by ITAT.	1.16	1.16
	(ii)	Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1993-94 to 1994-95 and A.Y. 2005-06 by ITAT.	0.47	0.47
	(iii)	Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
	(iv)	Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
	(v)	Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
		* Disallowances of expenses incurred on earning exempt income like dividend by invoking section 14A of the act by AO in respect of A.Y. 2004-05.		
		* Disallowances of provision for doubtful debts and advances for computing book profits under section 115JB of the Act as they are in the nature of reserves as per assessing officer.		
		* Disallowances of claim of profit under section 80HHC for computing book profits under section 115JB of the act on the contention that company should have adjusted unabsorbed business loss and depreciation with the profits of the business first before arriving at the deduction under section 80HHC of the Act. Since, the two exceed the current years profits, there can be no deduction under section 80HHC of the Act.		
	(vi)	Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
		@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94 (7) of the Act.		
		@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
	(vii)	Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
	(viii)	Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	6.27
	(ix)	Disallowance u/s 14A , Rule 8D in respect of AY 2012-13 and 2013-14	0.22	0.22
Total (C)			**56.50**	**56.50**
Total (D) = (A)+(B)+(C)			**390.33**	**596.97**
(E)	**Other claims not acknowledged as debts *#**		130.58	88.87
(F)	**Additional Bonus for FY 2014-15 due to Payment of Bonus (Amendment) Act, 2015****		22.87	22.87
(G)	**Bonds amounting to Rs 510 lacs executed in favour of Central Excise and Customs Authorities, out of which, amount to be re-credited on receiving the proof of export is yet to be submitted.**		401.72	271.85
(H)	**Amount of duty saved on import under advance license - corresponding export obligation pending is Rs.983.97 lacs (previous year Rs. 559.72 lacs)**		41.17	29.28

*# Others claim not acknowledge as debts includes Rs 33.24 Lacs against which company has filed counter claim for Rs 661.26 lacs which is pending under arbitration in Delhi .

*# The Company has deposited Rs. 41.71 lacs with "Registrar General, Delhi High Court" in compliance with the orders of High Court of Delhi under the two civil appeal filed by the Company against the orders of Tis Hazari Court, Delhi.

** In view of the amendment in The Payment of Bonus Act, 1965 notified on January 01, 2016, the Company has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from April 01, 2014,

the company on the legal advice has decided not to consider it on account of the interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

The company is involved in various litigation, the outcome which are considered probable and in respect of which the company has made aggregate provision of Rs. 185.22 lacs (Previous Year 185.22 lacs) as at March 31, 2017.

28. Directors' Remuneration

The shareholders of the Company had approved the remuneration of Mr. Arvind Singhania, Managing Director of the Company, vide Special Resolution passed through Postal Ballot on May 20, 2015. However due to changed market condition, the profits of the Company during FY 2015-16 were inadequate for payment of remuneration to Mr. Arvind Singhania and the remuneration paid to Mr Arvind Singhania was in excess of the limit prescribed under Section 197, 198 read with Schedule V of the Companies Act, 2013. Such inadequacy of the profit was not determinable at the time of appointment. Therefore, the Company had made an application to the Central Government seeking its approval for the payment of remuneration in case of inadequacy of profit for financial year 2015-16 and 2016-17. Central Government has accorded its approval for both the financial years and the remuneration paid to Mr. Arvind Singhania for financial year 2015-16 and 2016-17 is within the limits approved by the Central Government.

The remuneration of Mr. Pradeep Kumar Rustagi was approved by the Shareholders vide Special Resolution passed through Postal ballot on May 20, 2015. The remuneration paid to Mr. Rustagi during FY 2016-17 is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

29. Gratuity and other post employment benefits plan

Gratuity

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days of last drawn salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

Statement of profit and loss

Net employee benefit expense recognised in employee cost (Rs. in lacs)

	Gratuity	
	March 31, 2017	**March 31, 2016**
Current service cost	61.08	61.19
Interest cost on benefit obligation	54.44	44.26
Net actuarial loss recognised in the year	16.23	20.49
Net benefit expense	**131.75**	**125.94**

Balance sheet

Details of provision for Gratuity (Rs. in lacs)

	March 31, 2017	**March 31, 2016**
Present value of defined benefit obligation	726.73	680.53
Plan liability	**726.73**	**680.53**

Changes in the present value of the defined benefit obligation are as follows: (Rs. in lacs)

	March 31, 2017	**March 31, 2016**
Opening defined benefit obligation	680.53	571.09
Interest cost	54.44	44.26
Current service cost	61.08	61.19
Benefits paid	(85.55)	(16.50)
Actuarial losses on obligation	16.23	20.49
Closing defined benefit obligation	**726.73**	**680.53**

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2017	March 31, 2016
	%	%
Discount rate	7.37	8.00
Increase in compensation cost	5.50	5.50
Employee turnover – Age Group		
Up to 30 years	3	3
30 – 44 years	2	2
Above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

(Rs. in lacs)

	Gratuity				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	726.73	680.53	571.09	548.48	469.60
Plan assets	-	-	-	-	-
Deficit	726.73	680.53	571.09	548.48	469.60
Experience adjustments on plan liabilities (Gain) / Loss	(14.66)	20.19	8.82	21.40	20.86

Contribution to Defined Contribution Plans: (Rs. in lacs)

	March 31, 2017	March 31, 2016
Superannuation fund	61.69	66.79
Provident fund contribution to Government authority	77.13	74.17

Provident Fund

Provident fund for certain eligible employees is managed by the company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary have provided a valuation of provident fund liability and based on assumptions provided below there is no shortfall as at March 31, 2017 and March 31, 2016.

As per the guidance note on implementing AS-15, employee benefits (revised 2005) issued by the accounting standard board (ASB), provident fund trust set up by employers, which required interest shortfall to be met by employer, needs to be treated as defined benefit plan.

Changes in the present value of the projected benefit obligation are as follows:

(Rs. in lacs)

Projected Benefit Obligation	March 31, 2017	March 31, 2016
Projected benefit obligation at beginning of year	1,242.12	920.57
Current service cost	106.30	107.15
Interest cost	99.37	73.65
Contributions by plan participants / employees	136.82	134.45
Actuarial (gain) / loss due to interest guarantee	4.28	16.35
Benefits paid	(306.79)	(65.60)
Past service cost	-	-
Settlements / Transfer In	23.04	55.55
Projected benefit obligation at end of year	1,305.14	1,242.12

Changes in the present value of the plan assets are as follows: (Rs. in lacs)

Reconciliation of Plan Assets	March 31, 2017	March 31, 2016
Plan asset at beginning of year	1,293.66	966.90
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected return on plan asset	113.84	85.09
Employer contribution	106.30	107.15
Plan participants / employee contribution	136.82	134.44
Benefit payments	(306.79)	(65.60)
Asset gain /(loss)	(2.68)	10.13
Settlements / Transfer In	23.04	55.55
Ending asset at fair value	1,364.19	1,293.66

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

Economic Assumptions	March 31, 2017	March 31, 2016
i) Interest rate	8.65%	8.80%
ii) Expected shortfall in Interest earning on the fund	0.05%	0.05%

Demographic Assumptions	March 31, 2017	March 31, 2016
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

30. Leases:

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 54.78 lacs (previous year Rs. 70.28 lacs) towards operating lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at March 31, 2017	As at March 31, 2016	Purpose
Purchase - Buyers' Credit Raw Material	USD	939,667	1,501,765	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
Sales	USD	569,495	1,933,453	Forward contract to hedge foreign currency receivables in respect of export of goods.

32. Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Rates		Amount (Rs in lacs)	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Import Creditors	SGD	730	730	46.45	48.94	0.34	0.36
(including acceptances)	GBP	-	6,050	80.93	95.14	-	5.76
	EURO	165,700	-	69.29	-	114.81	-
	USD	2,439,835	2,603,299	64.88	66.37	1,582.97	1,727.81
Export trade receivables	USD	757,230	-	64.83	-	490.91	-
	GBP	31,791	-	80.86	-	25.71	-
	EURO	305,813	71,003	69.20	75.05	211.62	53.29
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	-	260,978	64.84	66.33	-	173.11
	EURO	977,000	1,074,200	69.25	75.10	676.57	806.72
- For Raw material	USD	1,722,660	1,224,731	64.84	66.33	1,116.97	812.36
	JPY	27,060,000	11,325,000	0.58	0.59	156.84	66.89
	EURO	873,302	679,240	69.25	75.10	604.76	510.11

33. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(Rs. in lacs)

	Particulars	As at March 31, 2017	As at March 31, 2016
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount	46.79	51.85
	Interest Due thereon	-	-
ii)	Payments made to supplier beyond the appointed day during the year		
	Principal	784.63	601.16
	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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of the 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 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the company.

34. a) Names of related parties

Nature of Relationship	Name of Related Party
Names of related parties where control exists	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
- Subsidiary Company	- Ester International (USA) Limited (EIUL) (voluntarily liquidated vide Dissolution Certificate dated, Sep 20, 2016)
Key Management Personnel	- Mr. Arvind Singhania (Chairman and CEO)
	- Mr. Pradeep Kumar Rustagi (Executive Director & CFO)
Relatives of Key Management Personnel	- Mr. Ayush Vardhan Singhania (Son of Mr. Arvind Singhania)
	- Mr. Jai Vardhan Singhania (Son of Mr. Arvind Singhania)
Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.	- Mr. Arvind Singhania (Chairman and CEO)
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Fenton Investments Private Limited - PDJ Properties and Investment Services Private Limited

b) Related party transaction (Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions during the year						
Managerial Remuneration						
Arvind Singhania	-	-	134.91	-	-	134.91
	-	-	(148.66)	-	-	(148.66)
Pradeep Kumar Rustagi	-	-	82.44	-	-	82.44
	-	-	(82.95)	-	-	(82.95)
Rent Paid						
Fenton Investments Pvt. Ltd.	-	-	-	-	18.17	18.17
	-	-	-	-	(18.04)	(18.04)
Salary Paid						
Ayush Vardhan Singhania	-	-	-	43.23	-	43.23
	-	-	-	(39.14)	-	(39.14)
Jai Vardhan Singhania	-	-	-	43.23	-	43.23
	-	-	-	(39.20)	-	(39.20)
Amount written off						
Ester International (USA) Limited	-	18.63	-	-	-	18.63
	-	-	-	-	-	-
Balances Outstanding as at year end						
Ester International (USA) Limited	-	-	-	-	-	-
	-	(60.00)	-	-	-	(60.00)
Balance Recoverable						
Ester International (USA) Limited	-	-	-	-	-	-
	-	(67.89)	-	-	-	(67.89)
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	28,663.07	-	-	-	-	28,663.07
	(29,685.25)	-	-	-	-	(29,685.25)
- Arvind Singhania	-	-	26,338.73	-	-	26,338.73
	-	-	(26,156.95)	-	-	(26,156.95)

-Previous year figures are given in braket.

35. Capitalization of expenditure:

During the year, the company has capitalized the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

(Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	11.61	28.33
Finance costs	67.67	148.26
	79.28	**176.59**

36. Segment Reporting

The Company operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments as its primary segments considering the dominant source of nature of risks and returns, internal organization and management structure. A brief description of the reportable segment is as follows:

Polyester Film: Polyester Films that are used in primarily flexible packaging and other industrial application. Polyester Film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET Chips is the main raw material used to manufacture the film.

Engineering Plastics: Engineering Plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering Plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

A. SEGMENT DISCLOSURE (Rs. in lacs)

Particulars	Polyester Film		Engineering Plastics		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue						
External sales	56,209.47	61,566.99	14,480.11	15,514.97	**70,689.58**	**77,081.96**
Inter segment sale	-	-	-	-	-	-
Total revenue	56,209.47	61,566.99	14,480.11	15,514.96	**70,689.58**	**77,081.96**
Segment Result	4,927.33	7,386.97	1,327.32	1,155.96	**6,254.65**	**8,542.93**
Unallocated corporate expenses					4,984.79	4,740.39
Operating Profit					**1,269.86**	**3,802.54**
Finance costs					3,302.78	3,601.43
Other income					394.13	482.16
Profit Before Tax / (Loss)					**(1,638.79)**	**683.27**
Income taxes					(544.15)	227.21
Net Profit / (Loss)					**(1,094.64)**	**456.06**
Other Information						
Segment assets	40,863.43	43,805.44	9,976.71	10,355.52	50,840.15	54,160.96
Unallocated corporate assets					14,532.52	14,752.97
Total assets					**65,372.67**	**68,913.93**
Segment liabilities	(3,082.17)	4,719.75	(758.35)	1,978.82	(3,840.53)	6,698.57
Unallocated corporate liabilities					(33,793.96)	32,892.29
Total liabilities					**(37,634.49)**	**39,590.87**
Capital expenditure	648.02	1,493.84	24.87	102.46	672.89	1,596.30
Unallocated Capital expenditure					560.45	774.16
Total Capital expenditure					**1,233.34**	**2,370.46**
Depreciation/Amortisation	2,357.27	2,643.26	185.61	173.52	2,542.88	2,816.78
Unallocated Depreciation/Amortisation					409.90	419.47
Total Depreciation/Amortisation					**2,952.78**	**3,236.25**
Unallocated Non-cash expenses other than depreciation and amortisation					683.62	132.15
Total Non-cash expenses other than depreciation and amortisation					**683.62**	**132.15**

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets (Rs. in lacs)

	March 31, 2017	March 31, 2016
India *	52,335.72	54,587.19
Outside India	18,353.86	22,494.77
Total	**70,689.58**	**77,081.96**

* Includes Deemed export within India

b) Carrying amount of Segment Assets (Trade receivable) by geographical location of assets (Rs. in lacs)

	March 31, 2017	March 31, 2016
India	7,220.47	6,940.77
Outside India	4,406.90	4,279.71
Total	**11,627.37**	**11,220.48**

Rest of the current assets are common and not segregable geographical segment wise.

c) Capital expenditure by geographical location of assets (Rs. in lacs)

	March 31, 2017	March 31, 2016
India	1,233.34	2,370.46
Outside India	-	-
Total	**1,233.34**	**2,370.46**

37. Value of imports calculated on CIF basis (Rs. in lacs)

	March 31, 2017	March 31, 2016
Raw Materials	9,860.72	9,927.01
Stores and Spare Parts	696.66	534.96
Capital Goods	350.84	888.76
Total	**10,908.22**	**11,350.73**

38. Earning in foreign currency (Rs. in lacs)

	March 31, 2017	March 31, 2016
FOB value of export of goods, R&D Charges and misc. income received	17,852.91	22,016.45
Total	**17,852.91**	**22,016.45**

(FOB Value of Exports does not include Deemed Exports of Rs. 146.36 Lacs (previous year Rs.92.74 lacs)).

39. Imported and indigenous raw material and spare parts consumed (Rs. in lacs)

	March 31, 2017		March 31, 2016	
	Percentage	Value	Percentage	Value
Raw Material				
Imported	24.02	10,946.56	25.31	12,633.18
Indigenous	75.98	34,629.40	74.69	37,288.79
Total	**100.00**	**45,575.96**	**100.00**	**49,921.97**
Stores and spares				
Imported	43.14	508.68	45.31	576.65
Indigenous	56.86	664.14	54.69	696.05
Total	**100.00**	**1,172.82**	**100.00**	**1,272.70**

40. Expenditure in foreign currency (Rs. in lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Bank charges	36.03	35.18
Legal and professional	54.02	28.25
Expense on foreign technicians	54.52	32.89
Commission and brokerage	149.99	163.29
Traveling expenses	262.56	121.69
Discount, claims and rebates	220.74	60.36
Miscellaneous expenses	13.83	22.66
Total	**791.69**	**464.32**

41. Pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of the average net profit of preceding 3 (three) financial years is spent on CSR activities as mentioned in CSR Policy.

Details of CSR expenditure (Rs in lacs)

	March 31, 2017			March 31, 2016		
A- Gross amount required to be spent by the Company during the year (2% of average net profit of preceding three financial years)	17.29			7.47		
	In cash	**Yet to be paid in cash**	**Total**	**In cash**	**Yet to be paid in cash**	**Total**
B- Amount spent during the year						
i) Promoting health care including preventive health care and sanitation and Construction of toilet for girls in school	18.86	Nil	18.86	Nil	Nil	Nil
ii) Other activities like help to disabled persons, financial assistance for organizing eye camp and launching ambulance etc	0.73	Nil	0.73	2.04	Nil	2.04
iii) Promoting education by providing educational materials, furniture to school/college.	3.47	Nil	3.47	0.87	Nil	0.87
Total CSR Expediture	**23.06**	**Nil**	**23.06**	**2.91**	**Nil**	**2.91**

42. **Specified Bank Notes (SBN)** held and transacted during the period from November 08, 2016 to December 30, 2016 as provided in the Table below:-

(Rs in lacs)

	SBNs	**Other denomination notes**	**Total**
Closing cash in hand as on November 08, 2016	**7.88**	**0.96**	**8.84**
(+) Permitted receipts	-	2.38	2.38
(-) Permitted payments	-	14.42	14.42
(+) Amount withdrawn from Banks	-	15.46	15.46
(-) Amount deposited in Banks	7.88	-	7.88
Closing cash in hand as on December 30, 2016	**-**	**4.38**	**4.38**

43. Previous year figure have been regrouped / reclassified whenever considered necessary, so as to confirm with the current year's classification.

As per our report of even date
For **S.R. Batliboi and Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership no. 086370

Place : New Delhi
Date : June 2, 2017

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

ESTER
INDUSTRIES LTD.

CIN: L24111UR1985PLC015063
Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, **Fax No.** (05943) 250158
Website – www.esterindustries.com, **Email** – investor@ester.in

Dear Shareholder

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

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

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

Regards
For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

NECS MANDATE FORM FOR DIVIDEND PAYMENT

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

Dear Sir

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

1. Folio No./DP ID & Client ID .....

2. Shareholder's Name : Mr. / Mrs. / Ms. / M/s. .....

3. Shareholder's Address : .....

   ..... Pin Code : .....

4. Particulars of bank :

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

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

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

Signature of Shareholder

Date : .....

Place : .....

ESTER
INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

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

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

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

Dear Shareholders,

Green Initiative : Go Paperless

You are aware that the provisions of Companies Act, 2013 have been made effective . Pursuant to Section 20, 101, 136 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Notice of Shareholders meeting, Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository .

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment . This is a golden opportunity for every shareholder to contribute to the cause of Green Initiative .

We therefore request you to register your Email Id by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent "M/s MAS Services Limited" or your concerned Depository Participant.

Regards
For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

. . . . . .

E-COMMUNICATION REGISTRATION FORM

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

E-mail ID to be registered

I agree to receive all communication from the Company in electronic mode . Please register my above-mentioned e-mail id in your records for sending communication through e-mail .

Name of Sole/Joint Holder(s)	Folio No./DP ID and Client ID	Signature

Date .....

Important Notes:

- The form is also available on the website of the Company viz **www.esterindustries.com**
- Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID .

ESTER
INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

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