ESTER
INDUSTRIES LTD.
CIN : L24111UR1985PLC015063

Date: 28th September, 2018

Bombay Stock Exchange Limited Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	**National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051

Dear Sir

Subject : Submission of Annual Report for the financial year 2017-18

Pursuant to Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the financial year 2017-18 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

32nd Annual Report

2017-18

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 WALKER CHANDIOK & CO. LLP, GURGAON	
LENDERS	BANK OF INDIA	
	BANK OF BARODA	
	UNION BANK OF INDIA	
	CANARA BANK	
	STATE BANK OF INDIA	
	TATA CAPITAL FINANCIAL SERVICES LIMITED	
HEAD OFFICE	PLOT NO. 11, BLOCK-A, INFOCITY-I, SECTOR -34, GURGAON-122001, HARYANA	
REGISTERED OFFICE & WORKS	SOHAN NAGAR, P.O. CHARUBETA KHATIMA – 262 308, DISTRICT UDHAM SINGH NAGAR UTTARAKHAND	
REGISTRAR & SHARE TRANSFER AGENTS	MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II NEW DELHI – 110 020	
LISTING OF SECURITIES	BSE LIMITED NATIONAL STOCK EXCHANGE OF INDIA LTD	

CONTENTS

Notice of Annual General Meeting **01-07**

Chairman's Message **08-09**

Directors' Report **10-28**

Management Discussion and Analysis **29-34**

Corporate Governance Report **35-46**

Financial Statement **47-87**

E-communication Registration Form

NECS Mandate

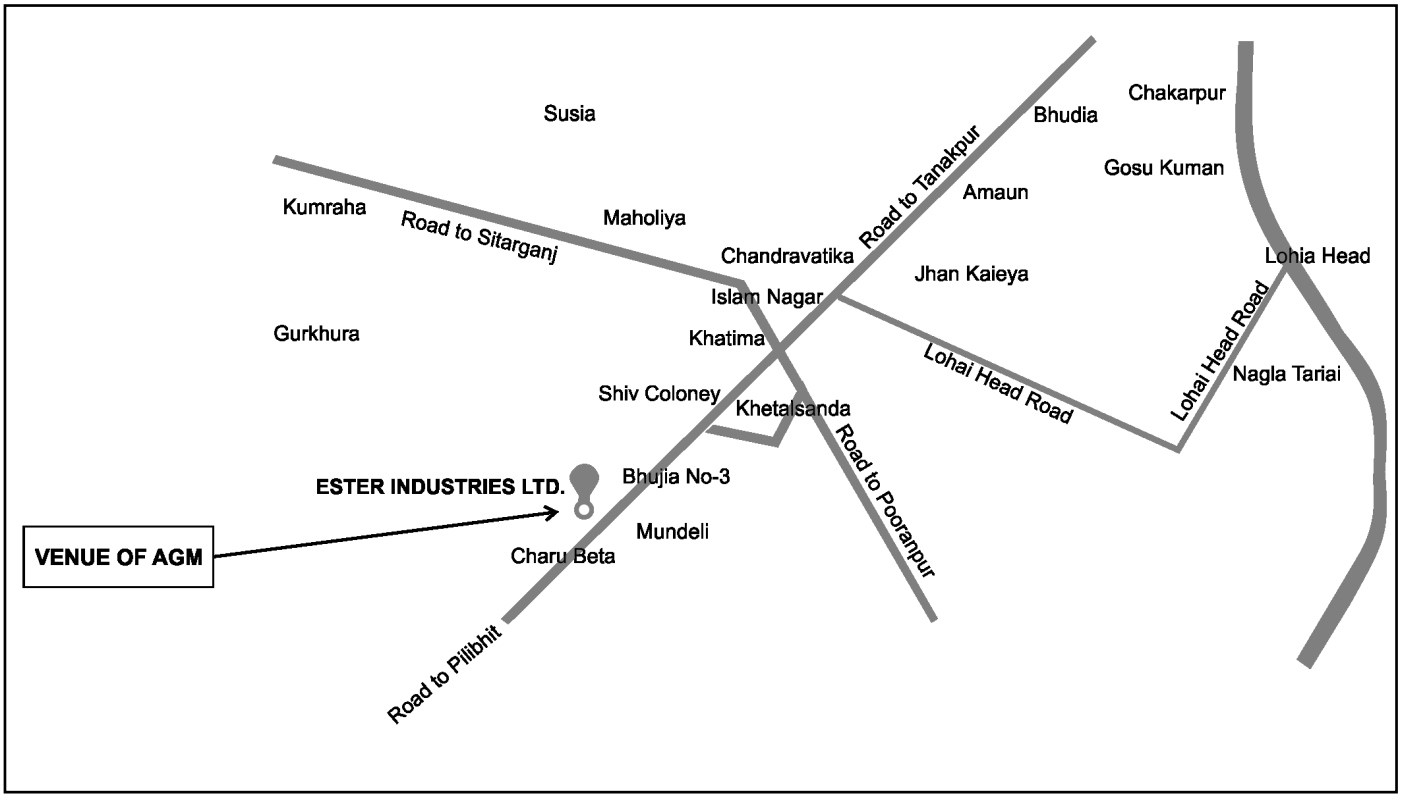
Date of AGM

24th September, 2018

Venue of AGM

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

ROUTE MAP FOR VENUE OF AGM



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 32nd ANNUAL GENERAL MEETING (AGM) of ESTER INDUSTRIES LIMITED will be held on Monday, 24th September, 2018 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 Financial Statements for the financial year ended 31st March, 2018 together with the reports of Directors and Auditors thereon

2. To appoint a Director in place of Mr. Pradeep Kumar Rustagi (DIN 00879345) who retires by rotation and being eligible, offers himself for re-appointment;

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

As Ordinary Resolution

3. **RATIFICATION OF REMUNERATION OF COST AUDITOR**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), a Remuneration of Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousands Only) plus applicable taxes and out of pocket expenses payable to M/s. R. J. Goel & Co. (Regn. No. 00026), the Cost Auditors appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2018-19, as recommended by the Audit Committee and approved by the Board of Directors, be and is here by approved and ratified."

As Special Resolution

4. **RE-APPOINTMENT OF MR. ASHOK NEWATIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. Ashok Newatia (DIN 01057233), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2019 up to 31st March, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) approval of the Members of the Company be and is hereby granted for continuation of holding office of Independent director by Mr. Ashok Newatia (DIN 01057233) aged 75 years from 1st April 2019 till 31st March, 2024."

5. **RE-APPOINTMENT OF MR. M S RAMACHANDRAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. M S Ramachandran (DIN 00943629), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2019 up to 31st March, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) approval of the Members of the Company be and is hereby granted for continuation of holding office of Independent director by Mr. M S Ramachandran (DIN 00943629) who shall attain the age of Seventy Five (75) years on 26th February, 2020, from 1st April, 2019 till 31st March, 2024."

6. **RE-APPOINTMENT OF DR. ANAND CHAND BURMAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment there of), Dr. Anand Chand Burman (DIN 00056216), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2019 up to 31st March, 2024."

7. RE-APPOINTMENT OF MR. DINESH CHANDRA KOTHARI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. Dinesh Chandra Kothari (DIN 00195609), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2019 up to 31st March, 2024."

8. RE-APPOINTMENT OF MR. P S DASGUPTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. P S Dasgupta (DIN 00012552), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2019 up to 31st March, 2024."

By Order of the Board of Directors
For Ester Industries Limited

Sd/-
Diwakar Dinesh
Company Secretary
(Membership No.: A22282)

Place : New Delhi
Date: 14th August, 2018

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, 4, 5, 6, 7 and 8 at the annual general meeting forms part of this Notice.
3. M/s Walker Chandiok & Co. LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders in their Annual General Meeting (AGM) held on 4th September, 2017, to hold office from 31st AGM till 36th AGM. The requirement to place the matter relating to the ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for Item Nos. 3 to 8 of the accompanying Notice, is annexed hereto.
5. The Register of Member and Share Transfer Books will remain closed from Tuesday, 18th September, 2018 to 24th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
6. A route map showing directions to reach the venue of the Annual General Meeting forms part of this Annual Report.
7. The Board of Directors has not recommended any Dividend for the financial year 2017-18.
8. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
9. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Members are requested to notify immediately:
    I. **In case shares are held in physical form:** any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, 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
11. Members/Proxies should bring Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
12. Members desiring any information on the accounts are required to write to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, India at least 7 days before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the Meeting.
13. All the documents referred to in the accompanying Notice are open for inspection in physical or electronic form at Registered Office of the Company and copies of these documents will also be available for inspection at the Head Office (Corporate Office) in physical or electronic form, during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting. Such documents will be available for inspection during the meeting also.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account (s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.

Members can contact the Company or RTA for assistance in this regard.

16. Members holding shares under multiple folios are requested to submit their applications to RTA for consolidation of folios into a single folio.
17. Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares).
18. Electronic copy of the Notice of the 32nd 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 32nd Annual General Meeting of the Company inter-alia indicating the process and manner of e- voting along with Annual Report is being sent through the permitted mode.
19. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for the financial year ended on 31.03.2018 will also be available on the Company's website **www.esterindustries.com** for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: **investor@ester.in**
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS Services Limited (Registrar & Share Transfer Agent).
21. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form from December 5, 2018. In view of the above and to avail various benefits of dematerialisation,members are advised to dematerialise shares held by them in physical form.
22. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
23. Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 and rules made thereunder, all the dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2010-11 (only interim for FY 2010-11).

    Members who have not yet encashed their dividend warrants for the financial year 2010-11 (final dividend) onwards are requested to make their claims to the Company immediately. Members may note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 4th September, 2017 (date of last Annual General Meeting) and the details of unclaimed shares on the website of the Company viz. **www.esterindustries.com** and also on the website of the Ministry of Corporate Affairs viz. **www.iepf.gov.in.** Shareholders may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they may lodge their claim, duly supported by relevant documents to the Company.

    In terms of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,2016, shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are required to be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPF Authority) with in a period of thirty days of such shares becoming due to be so transferred. Accordingly, equity shares which were/ are due to be so transferred, have been/ shall be transferred by the Company to the Demat Account of IEPF Authority. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPF Authority and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

    In view of above, Members are requested to claim their dividends from the Company, with in the stipulated timeline to avoid transfer of the underlying shares to the IEPF Account. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on **www.iepf.gov.in** or on the following link **http://www.iepf.gov.in/IEPFA/corporates.html**

24. VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	**9.00 AM, Friday 21st September, 2018**
End of E-voting	**5.00 PM, Sunday 23rd September, 2018**

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 32nd 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, 21st September, 2018 and ends on 5.00 PM, Sunday, 23rd September, 2018.**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.

    I. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **Monday, 17th September, 2018** (Cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to

cast their votes by remote e-voting or voting through ballot paper/venue e-voting at the AGM. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **Monday, 17th September, 2018,** 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.

II. 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 onto **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

VI. If you are a first time user or holding share in physical form follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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

VII. After entering these details appropriately, click on "SUBMIT" tab.

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

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

X. Click on the EVSN of Ester Industries Limited.

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

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

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

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

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

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

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

XVIII. **Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com.** After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account (s) for which they wish to vote on.The list of accounts linked in the login should be mailed to help desk. **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 sectionor contact Mr. Rakesh Dalvi, Manager of CDSL, Marathon Futurex, A Wing, 25th Floor, N.M. Joshi Marg, Lower Parel, Mumbai-400013 Ph.: 1800225533, write an email to **helpdesk.evoting@cdslindia.com**

25. Mr. Akash Jain, Company Secretary in Practice (Membership No. F9617 and COP No. 9432) has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.

26. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 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.

27. 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.

28. 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.
29. The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the Annual General Meeting.
30. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or Head Office address or e-mail their grievances/queries to the Company Secretary as detailed below:

    Registered Office:

    Sohan Nagar, PO Charubeta, Khatima-262308

    Distt. Udham Singh Nagar, Uttarakhand

    Head Office:

    Plot No. 11, Block-A, Infocity-I, Sector 34,

    Gurgaon – 122001

    Email Id: **investor@ester.in**

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

Item No. 3

In the Board Meeting held on 16th May, 2018, after considering the recommendation of the Audit Committee, the Directors have reappointed M/s. R J Goel & Co. (Regn. No. 00026), Cost Accountants, as the Cost Auditor at a remuneration of Rs. 3,50,000 (Rupees Three Lacs Fifty Thousands only) to conduct the audit of Cost records for financial year 2018-19. 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 Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

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

Item No. 4 to 8

Pursuant to the provisions of section 149 of the Companies Act, 2013 ('the Act') and prescribed provisions of the erstwhile Listing Agreement, the Company had appointed Mr. Ashok Newatia, Mr. M S Ramachandran, Dr. Anand Chand Burman, Mr. Dinesh Chandra Kothari and Mr. P S Dasgupta, as Independent Directors of the Company in the Annual General Meeting held on 22nd September, 2014 to hold office upto 31st March, 2019.

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

The Board of Directors of the Company and the Nomination and Remuneration Committee have evaluated the performance of all the above-stated Independent Directors and on the basis of the said evaluations have concluded that all these Independent Directors are the person of integrity having relevant expertise and experience. These Independent Directors fulfil their responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent opinion during deliberations at the said meetings and the overall performance of each of the above-stated Independent Director has been satisfactory. It is, therefore, proposed that the Independent Directors of the Company be appointed for a second term of five consecutive years, commencing from April 1, 2019 up to March 31, 2024.

These Directors have given a declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

None of the above-stated Independent Directors is disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received separate notices in writing from a member, proposing the candidature of each of the above-stated Directors for the office of Director of the Company.

In terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect. Mr. Ashok Newatia, has attained the age of 75 years during August, 2017 and Mr. M S Ramachandran will attain the age of 75 years in the month of February, 2020. Accordingly the Company seeks consent of the members by way of special resolution for continuation of their holding of existing office after 1st April, 2019 or after attaining the age of 75 years during the currency of proposed term of appointment.

A brief justification for their reappointment/continuance of appointment after 75 years is as under:

Mr. Ashok K. Newatia is an Independent Director at Ester. Mr. Newatia is a polyester industry veteran having held various technical and managerial positions across leading companies in India and abroad over the last 50 years. He pioneered the application of the continuous polymerization technology paving the way for many related plants in India. Mr. Newatia is also a member of Ester's Share Transfer and Investor Grievances Committee.

He holds an undergraduate as well as a master's degree in chemical engineering from the University of Michigan.

Mr. M.S. Ramachandran is a Mechanical Engineer by Profession. He joined Indian Oil Corporation in 1969 and assumed various roles before being appointed as Executive Director of the Oil Coordination Committee set up by the Government of India in 1998. He joined the Board of Indian Oil Corporation as Director (Planning & Business Development) in 2000. He was the Chairman of Indian Oil Corporation from 2002 to 2005. During his tenure with IOC he had redirected the organisation around key business lines with greater commercial focus, capital prudence and market facing capabilities. As head of the national oil company, he had helped the government to initiate and implement several crucial policy changes to support de-regulation and energy security. Mr. M.S. Ramachandran was conferred with the Chemtech- Pharma Bio Hall of Fame Award in 2005 for outstanding contribution to the petroleum and petrochemicals industry.

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are made part of this notice.

The copy of draft letter of appointment of the above directors setting out the terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day except Saturday up-to

the date of the Annual General Meeting. The said Independent Directors are not related to any of the Directors or Key Managerial Personnel (KMP including relatives of Directors and KMPs of the Company in terms of Section 2(77) of the Companies Act, 2013).

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Director & recommend the approval of proposed Special resolution by the Members.

These Directors may be deemed to be interested in the respective resolutions as it concerns their appointment. Save and except for the aforesaid Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 to 8 of the Notice

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Director & recommend the approval of proposed Special resolution by the Members.

These Directors may be deemed to be interested in the respective resolutions as it concerns their appointment. Save and except for the aforesaid Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 to 8 of the Notice.

The Board recommends the Special Resolutions set out at Item Nos. 4 to 8 of the Notice for approval by the shareholders.

By Order of the Board of Directors
For Ester Industries Limited

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

Place : New Delhi
Date : 14th August, 2018

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are detailed below:

Particulars	Mr. Ashok Newatia	Mr. M. S. Ramachandran	Dr. Anand Chand Burman	Mr. Dinesh Chandra Kothari	Mr. P. S. Dasgupta	Mr. Pradeep Kumar Rustagi
Director`s Identification Number (DIN)	01057233	00943629	00056216	00195609	00012552	00879345
Date of 1st appointment on the Board of Company	01/07/1997	19/09/2008	12/08/2010	19/09/2008	14/02/2011	14/02/2011
Date of appointment under current term on the Board of Company	04/08/2014	04/08/2014	04/08/2014	04/08/2014	04/08/2014	NA
Date of Birth	27/08/1942	25/02/1945	05/05/1952	14/03/1950	30/06/1955	14/11/1961
Age	76	73	66	68	63	57
Qualification	M.S.-CHEMICAL ENGINEER	B . E . -MECHANICAL	B.SC.-CHEMISTRY, M.SC.-CHEMISTRY, PH.D. -PHARMACEUTICAL CHEMISTRY	B.COM. , CHARTERED ACCOUNTANT	B.A.(HONS.) -ECONOMICS, UNIVERSITY OF DELHI, LL.B., DELHI UNIVERSITY, P.G.DIPLOMA -CORPORATE LAWS & LABOUR LAWS	CHARTERED ACCOUNTANT
Expertise in specific functional areas	Mr. Newatia is a polyester industry veteran having held various technical and managerial positions across leading companies in India and abroad over the last 50 years. He pioneered the application of the continuous polymerization technology paving the way for many related plants in India.	Mr. Ramachandran has held numerous senior positions in the Indian energy sector. He has extensive corporate and operational experience spanning over 35 years with Indian Oil Corporation Limited, where he started as a Management Trainee in 1969 and, eventually left as chairman of the board in 2005. During his tenure, Indian Oil grew to	Dr. Burman is an eminent Industrialist with particular interests in the areas of Research and Development in the Pharmaceutical Sciences as well as Biotechnology and Technology issues.	In November 1972, Mr. Kothari, joined ICICI Ltd and was in appraisal of projects including financial structuring and analysis of projects for financial assistance. In October 1974, joined Bukhatir Group of companies in Sharjah, U.A.E., one of the largest diversified Conglomerates. After 12 years of service with Bukhatir Group, in 1986, set up Interstar Financial Services Ltd.,	Mr. Dasgupta has been engaged in the practice of Law since 1978 and has been member of Delhi Bar Council since then. He has vast knowledge and experience of Law over last 32 years of legal practice. He worked as a Sr. Associate for fourteen years with JB Dadachanji & Co. Mr. P.S. Dasgupta is the Senior Partner of a leading Law Firm in Delhi since 1991. He has an extensive practice especially	Mr. Pradeep is Executive Director & Chief Financial Officer (CFO) of Ester and responsible for financial & business planning, corporate finance & fund raising, investor relations, financial & tax strategy, financial & forex risk management, control systems, corporate governance, legal & regulatory requirements including compliances and insurance.

Particulars	Mr. Ashok Newatia	Mr. M. S. Ramachandran	Dr. Anand Chand Burman	Mr. Dinesh Chandra Kothari	Mr. P. S. Dasgupta	Mr. Pradeep Kumar Rustagi
		become the leading Indian corporate in the Fortune 'Global 500' listing.		in New Delhi, India to provide a wide range of consulting and advisory services to non-resident Indians, resident Indians and large Indian corporate houses on financial matters. As a part of Interstar's expansion programme, in association with M/s. New Delhi Law Offices, a leading law firm in New Delhi, in 1999 set up a Consultancy Firm in the name of New Delhi Corporate Consultancy Services Pvt. Ltd., in order to provide Legal & Consultancy Services under the same umbrella to the Corporate Sector within the country and abroad. He has been engaged in the practice of Law since 1978 and has been member of Delhi Bar Council since then.	in Conveyancing, Structuring and negotiation of Joint Ventures and Foreign Collaborations, Corporate Laws, Foreign Exchange, Antitrust and Mercantile Laws, Project Contracts, Construction Contracts including Telecom and other Infrastructural Contracts and Financing Contracts; Specialized Corporate litigation, Mergers and Acquisitions, Domestic and International Arbitrations	
Terms and conditions for re-appointment	Details given in Corporate Governance Report					
Proposed remuneration and Remuneration last drawn (including sitting fee, if any)	Details given in Corporate Governance Report					
Shareholding in the Company as on 31.03.2018	Nil	Nil	Nil	20000	Nil	400
Relationship with other Directors and KMPs of the Company	NA	NA	NA	NA	NA	NA
Number of Board meetings attended during the year	4	4	2	2	2	4
Directorship in other Companies	None	10	23	8	15	None
Chairman/member in Committees of Board of Directors in Indian Companies	None	11	1	8	15	None

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

Place : New Delhi
Date : 14th August, 2018

MESSAGE FROM CHAIRMAN & CEO



Dear Shareholders,

It gives me immense pleasure to present the annual report for the financial year 2017-18.

The global economy is now growing at its fastest pace since 2010, with overall economic activity having shown comforting signs of recovery – growing at an estimated rate of 3.7% in 2017, which is 0.5% higher than in 2016.Both advanced and emerging economies reported improvement in growth numbers, hinting a synchronized growth trend for future. This growth momentum is expected to strengthen further in 2018 and 2019, with economic growth projected to rise to about 4%. Last year we saw a consistent growth in global trade accompanied by the signs of growing protectionism across countries posing a threat to global trade levels and trading relations.

India remained among the fastest growing economies in the world. Last year has been a transformative year with the introduction of the Good and Services Tax, an important development that has unified all federal and state taxes to a single national market benefiting both consumers as well as industry. The GDP growth slowed down to 6.6% compared to 7.1% in 2016-17.This drop was largely caused by temporary slowdown in economic activity during the GST transition period where we saw significant pipeline reduction during the first quarter. This slowdown had a temporary impact as economy posted a recovery in post GST rollout. According to the International Monetary Fund, India could grow at a comforting 7.5% in the fiscal year 2018-19 as against China's 6.8%, helping it gain the title of the fastest growing country among emerging economies.

The performance of your company also improved during 2017-18.Sales grew by over 14.7% and EBITDA margin improved to 8.9% as against 7.1% during 2016-17.

Polyester film market in India continued to grow by 10-12% in 2017-18. With the help of demand growth in domestic as well as overseas market, the capacity utilization levels continued to improve throughout the year. The first two quarters reported a sub-optimal performance largely due to significant pipeline reduction at the time of GST roll-out which triggered a drop in margin levels that was recovered in following months. The revenue from Polyester film business registered a growth of 11.2% split into 2.4% coming from volume growth and remaining from a combination of increased pricing level and favorable product mix.Your company continued to expand its global presence and as a result polyester film exports revenue grew by 27%.Your company continued to build strong relations with key customers / end-users and as a result the total business from these key customers / end-users recorded an impressive growth. Your company continued to progress on development of its value added and specialty products portfolio agenda by launching a new range of barrier films and films for graphical arts segment. Viewing a favorable demand and supply situation, better product mix and other efficiency improvements, Polyester film business is expected to deliver even better performance in 2018-19.

Ester's Engineering Plastics SBU staged a recovery in FY 2017-18 – following two consecutive years of negative sales growth – registering a growth of 18.4% (*10.3% in volumetric terms*) despite the significant adverse impact on sales of EP compounds, for a period of 2 to 3 months, owing to GST rollout. Consequently, sales volumes of EP compounds (*catering to end-use segments such as automotive, electrical & electronics and appliances*) registered only a marginal growth of 1.8%, whereas volumetric sales to the Optical Fiber Cable industry grew by a healthy 32.2%. The steady increase in unit selling price – that had commenced in the 4th quarter of the previous year – continued through FY 2017-18, resulting in a greater increase (*10.4% and 43.6% for Compounds and OFC respectively*) in value terms. Increase in selling price was influenced by the steep increase in polymer prices – owing to rising crude price – as well as the demand-supply gap for key polymers like PA66 & PC, consequent to force majeure announcements by some polymer manufacturers. The year witnessed frequent price increases by polymer manufacturers, making it challenging to pass on the full impact of cost increase timely to customers. This had an adverse impact on profitability levels. The 4-year CAGR *(FY 2013-14 to FY 2017-18)* of Ester's EP business at 4.4% (*value terms*) and 6% (*volumetric terms*) was more or less aligned with industry growth levels. The Exports journey during the year was encouraging, with your Company making inroads into new geographies. Your Company would continue to participate in global exhibitions with a view to enhancing brand visibility and expanding its global footprint by entering new geographies in the coming year. Enhancing profitability levels would be a key focus area in FY 2018-19, with sustained efforts towards cost optimization and productivity/efficiency improvement initiatives, besides new product development to enter niche segments.

The Specialty Polymer business saw an impressive start to the current calendar year with big order being received for the Stain resistant master batch from a single large customer.While volumes moved at the expected pace in the initial months, business faced a sudden setback with the customer putting a hold on further procurement purely due to internal reasons. However, given the customer's appreciation & acceptance for

the product, we are hopeful that off-take would resume in the near future. Despite this setback we are confident that Specialty Polymers will go on to become the backbone of your company in the coming years. We have achieved success with introduction of two new products viz, Cationic Dye-able & Easy Dye-able master batches. Commercial volumes have started to move and we expect this business to grow in the coming months. We have been able to successfully establish a marketing & distribution network in China, Europe and Far East during the past year which will yield dividends as we move ahead. Work continues on the development of new products on the basis of demand raised by customers. Two products which have achieved very good success in the trials upto now are expected to give handsome volumes & margins and we are hopeful of closing them within the next few months. One is for a marquis customer in the electronics segment and the other is for the carpet application, other than stain resistant. I again reiterate, that while the wait has been long to see success in the Specialty Polymer business we remain confident that this will turn out to be the mainstay of your company.

While we progressed with improved performance in the last financial year, to sustain the momentum in such an intensely competitive industry environment, it is important for us to remain focused on reducing internal costs and continuously improving operational efficiencies. Continuing with the momentum of various productivity and efficiency improvement initiatives, this year we embarked upon a major transformation journey to take a leap jump by transforming ourselves from a functional based organization to a process based organization. Customer value creation remains at the core of the project. Each and every process is being relooked at to improve our ability to respond to increasingly challenging and changing market environment. Through this project we are targeting to achieve a substantial improvement in our EBITDA margin in the coming years.

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.

I would like to thank all my colleagues for their dedication, commitment and hard work for creating value for our stakeholders.

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

With regards,
Arvind Kumar Singhania
Chairman & CEO

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the 32nd Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2018.

FINANCIAL RESULTS

	For the year ended 31.03.2018 (Rs. / crores)	For the year ended 31.03.2017 (Rs. / Crores)
Net Sales Revenue	**798.71**	696.40
Other Operating Revenue	**8.03**	6.32
Other Income	**5.67**	6.34
Profit before Financial Expenses, Depreciation and Tax	**71.30**	49.19
Less: Interest & Other Financial Expenses	**32.78**	33.36
Profit / (Loss) before Depreciation and Tax	**38.52**	15.83
Depreciation and amortization expenses	**31.03**	31.76
Profit / (Loss) before Tax	**7.49**	(15.93)
Current & Deferred Tax expense / (credit)	**2.20**	(5.24)
Profit / (Loss) after Tax	**5.29**	(10.69)
Other Comprehensive Income (net of income tax effect)	**0.29**	(0.11)
Total Comprehensive Income	**5.58**	(10.80)
Basic Earnings Per Equity Share (Rupees)	**0.63**	(1.28)
Diluted Earnings Per Equity Share (Rupees)	**0.63**	(1.28)

DIVIDEND AND RESERVES

Your directors have not recommended payment of dividend as the Company has earned marginal Net Profit 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 earned a Net Profit after Tax of Rs. 5.29 crores, a significant improvement as compared to a Net Loss after Tax of Rs. 10.69 crores incurred during FY 2016-17. Revenue from Operations during the year under review stood at Rs. 806.74 crores as compared to Rs. 702.72 crores during FY 2016-17, an increase of 14.8%.

One of the main factors for increased revenue from operations was increase in sales of Polyester Film. Besides the 2.4% increase in sales volume of Polyester Film – from 51201 MT to 52414 MT – increase in selling price of Polyester Film (consequent to increase in feedstock prices) and higher proportion of Value Added products also contributed towards an increase in sales revenue by 11.2%

Increase in selling prices of Polyester Film was higher than the increase in feedstock prices – owing to bridging of demand-supply gap consequent to growth in demand – resulting in improved profitability of Polyester Film SBU. Demand growth of 10% - 12% (domestic) and 6% - 6.5% (global) is expected to further bridge the demand-supply gap.

During the year under review, capacity utilization in Polyester Films was about 92%, with production higher at 52534 MT as compared to 51778 MT during the FY 2016-17.

While sales of Engineering Plastics Compounds remained stable despite adverse effect of GST roll out on the demand for application industries for a quarter, sales of Engineering Plastics for OFC application– in quantitative terms – increased by 32.2% on the back of increased demand. Despite improved sales –by 10.3% & 18.4% in volumetric and value terms respectively - the profitability for the Engineering Plastics SBU witnessed a marginal reduction in EBIT (from Rs. 13.26 crores to Rs. 12.59 crores) due to the time lag in passing on the full impact of in creasing polymer costs to customers.

Despite the initial setback following the Goods & Service Tax (GST) roll out with effect from 1st July 2017, overall impact on the Polyester Film and Engineering Plastics SBUs has been positive.

Specialty Polymers SBU witnessed marginal improvement in sales by 5.7% in quantitative terms. The improvement in sales in value terms was 15.5% on account of favorable product mix.

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

Various initiatives taken over the last eight years – supported by capacity expansions – have resulted in Net Sales of the Company growing at a CAGR of 9.2% pa, from Rs. 395.37 crores in FY 2009-10 to Rs.798.71 crores in FY 2017-18.

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

CORPORATE GOVERNANCE

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

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

SECRETARIAL STANDARDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

PUBLIC DEPOSIT

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding at the end of financial year 2017-18.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Independent Directors

Pursuant to the provisions of section 149 & other applicable provisions of the Companies Act, 2013 ('the Act') and prescribed provisions of the erstwhile Listing Agreement, the Company had appointed Mr. Ashok Newatia, Mr. M S Ramachandran, Dr. Anand Chand Burman, Mr. Dinesh Chandra Kothari and Mr. P S Dasgupta, as Independent Directors of the Company in the Annual General Meeting held on 22nd September, 2014 to hold office upto 31st March, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Section 149(11) of the Act provides that Independent Directors shall not hold office for more than two consecutive terms. Pursuant to Section 152, an Independent Director shall not be liable to retire by rotation. Accordingly the Board recommends to re-appoint Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Ashok Newatia, Dr. Anand Chand Burman and Mr. P S Dasgupta as Independent Directors for a second term of 5 (Five) consecutive years to hold office up to 31st March, 2024.

Accordingly, resolutions proposing appointment of Independent Directors till 31st March 2024, form part of the Notice of the Annual General Meeting.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Pradeep Kumar Rustagi 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 Walker Chandiok & Co. LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders in their Annual General Meeting (AGM) held on 4th September, 2017, to hold office from 31st AGM till 36th AGM. The requirement to place the matter relating to the ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors.

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

Cost Audit

In terms of Section 148(1) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Company is required to maintain Cost records of the Company and accordingly such accounts and records are made and maintained.

The Company is also 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 2018-19. 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 2018-19. 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 Dhananjay Shukla & Associates, Company Secretaries, has conducted secretarial audit of the Company for the financial year ended 31st March, 2018. The Report of M/s Dhananjay Shukla & Associates is provided in the **"Annexure-A"** forming part of this Report.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the 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 2018, 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 2018 on a going concern basis.
5) proper internal financial controls laid down by them were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS

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

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

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

Few internal controls have been modified to align with change in scenario.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the 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.

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 2017-18, 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 2018-19.

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".** The same is also available on the Company's website viz. **www.esterindustries.com**

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The particulars of the loan, if any (along with the purpose of utilization by recipient of loan) and investments covered under Section 186 of the Companies Act, 2013 are provided in Notes 7, 8 and 9 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://www.esterindustries.com/sites/default/files/Corporate_Social_Responsibility_Policy.pdf

PERFORMANCE EVALUATION

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

An annual evaluation was carried out of the performance of the Board, Board 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://www.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

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

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

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

The information required under Section 197 of the 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 Audit Committee constituted by the Board reviews and evaluates the risk management plan along with matters pertaining to review of internal audit, financial results, operational performance etc. placed before it on quarterly basis.The terms of references of the Audit Committee stipulated by the Board includes the "Evaluation of Risk Management System." The Audit Committee is mandated to make recommendation to the Board for the matters pertaining to framing, implementing and monitoring the risk management system & plan for the Company entity as and when the Committee thinks necessary. A detailed note on Risk Management System has been provided under the Management Discussion and Analysis (MDA) Report

RELATED PARTY TRANSACTIONS

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

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

The details of the related party transactions as required under IND AS 24 are set out in Note 39 to the standalone financial statements forming part of this Annual Report.

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

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134 of the 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://www.esterindustries.com/sites/default/files/Whistle_blower_policy.pdf

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

The Company has complied with provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 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 financial year 2017-18. 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: 14th August, 2018
Place: New Delhi

ANNEXURE A

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s Ester Industries Limited

(CIN: L24111UR1985PLC015063)

Sohan Nagar, P.O. Charubeta,

Khatima - 262308, Distt. Udham Singh Nagar

Uttarakhand, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2018 according to the provisions of:

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

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

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

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

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(No event took place under this Regulation during Audit period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(No event took place under this Regulation during Audit period);**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(No event took place under this Regulation during Audit period);**

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

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(No event took place under this Regulation during Audit period);** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(No event took place under this Regulation during Audit period)**.

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

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

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

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

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

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

II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that -

The Board of Directors of the Company is duly constituted with

proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For Dhananjay Shukla & Associates
Company Secretaries

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

Date: 14th August, 2018

Place: New Delhi

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

Enclosure: Annexure-A

'Annexure-A'

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

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

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

For Dhananjay Shukla & Associates
Company Secretaries

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

Date: 14th August, 2018

Place: New Delhi

ANNEXURE B

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester Films	22201	78.64%
2	Engineering Plastics	22207	21.36%
Total			**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

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

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.	49015012	-	49015012	58.78	49015012	-	49015012	58.78	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2):-	**49015012**	**-**	**49015012**	**58.78**	**49015012**	**-**	**49015012**	**58.78**	**-**
TOTAL SHAREHOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	**49318203**	**-**	**49318203**	**59.14**	**49318203**	**-**	**49318203**	**59.14**	**-**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	27500	27500	0.03	-	23100	23100	0.03	-
b) Banks / FI	17469	11400	28869	0.03	89977	3300	93277	0.11	0.08
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	300	300	-	-	300	300	-	-
g) FIIs	-	21300	21300	0.03	-	700	700	0.00	(0.03)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
- Foreign Portfolio Investor	3194	-	3194	-	-	-	-	-	-
SUB-TOTAL (B)(1):-	**20663**	**60500**	**81163**	**0.09**	**89977**	**27400**	**117377**	**0.14**	**0.05**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4220784	27700	4248484	5.09	3187627	11000	3198627	3.84	(1.25)
ii) Overseas	12950000	-	12950000	15.53	12876861	-	12876861	15.44	(0.09)
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs. 1 lakh	8740433	1769340	10509773	12.60	8497087	1130207	9627294	11.54	(1.06)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5274735	-	5274735	6.33	6766526	-	6766526	8.11	1.78
c) Others (specify)									
- Non Resident Individual	271194	17800	288994	0.35	378670	14600	393270	0.47	0.12
- Clearing Member	615386	-	615386	0.74	409053	-	409053	0.49	(0.25)
- NBFCs registered with RBI	107021	-	107021	0.13	4215	-	4215	0.01	(0.12)
- Investor Education & Protection Fund	-	-	-	-	682333	-	682333	0.82	0.82
SUB-TOTAL (B)(2):-	**32179553**	**1814840**	**33994393**	**40.77**	**32802372**	**1155807**	**33958179**	**40.72**	**(0.05)**
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)	**32200216**	**1875340**	**34075556**	**40.86**	**32892349**	**1183207**	**34075556**	**40.86**	**-**
C.SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL (A+B+C)	**81518419**	**1875340**	**83393759**	**100**	**82210552**	**1183207**	**83393759**	**100**	**0**

(ii) Shareholding of Promoters

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

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share-holding during the year	
		No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Arvind Singhania	150	-	01-04-2017	-	Nil movement during the year	150	-
		150	-	31-03-2018			150	-
2	Uma Devi Singhania	150	-	01-04-2017	-	Nil movement during the year	150	-
		150	-	31-03-2018			150	-
3	Wilemina Finance Corp.	44915012	53.86	01-04-2017	-	Nil movement during the year	44915012	53.86
		44915012	53.86	31-03-2018			44915012	53.86
4	Ayush Vardhan Singhania	178033	0.21	01-04-2017	-	Nil movement during the year	178033	0.21
		178033	0.21	31-03-2018			178033	0.21
5	Jai Vardhan Singhania	124858	0.15	01-04-2017	-	Nil movement during the year	124858	0.15
		124858	0.15	31-03-2018			124858	0.15
6	MOVI Limited	4100000	4.92	01-04-2017	-	Nil movement during the year	4100000	4.92
		4100000	4.92	31-03-2018	-		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 Share-holding during the year	
		No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Vettel International Limited	**12950000**	**15.53**	**01-04-2017**			**12950000**	**15.53**
				30-06-2017	640241	Purchase	13590241	16.30
				07-07-2017	(1500000)	Sale	12090241	14.50
				30-09-2017	1258850	Purchase	13349091	16.01
				10-11-2017	(1500000)	Sale	11849091	14.21
				22-12-2017	1027770	Purchase	12876861	15.44
		12876861	**15.44**	**31-03-2018**			**12876861**	**15.44**
2	Sachin Kasera	**300000**	**0.36**	**01-04-2017**			**300000**	**0.36**
				14-04-2017	50000	Purchase	350000	0.42
				09-06-2017	50000	Purchase	400000	0.48
				02-02-2018	125000	Purchase	525000	0.63
		525000	**0.63**	**31-03-2018**			**525000**	**0.63**
3	Hetal Ketan Thakkar	**150000**	**0.18**	**01-04-2017**			**150000**	**0.18**
				16-03-2018	100000	Purchase	250000	0.30
		250000	**0.30**	**31-03-2018**			**250000**	**0.30**
4	Ashish Kacholia	**1503121**	**1.80**	**01-04-2017**			**1503121**	**1.80**
				21-07-2017	(27082)	Sale	1476039	1.77
				28-07-2017	(50393)	Sale	1425646	1.71
				04-08-2017	(22525)	Sale	1403121	1.68
				24-11-2017	(16247)	Sale	1386874	1.66
				01-12-2017	(67712)	Sale	1319162	1.58
				08-12-2017	(148398)	Sale	1170764	1.40
				15-12-2017	(130656)	Sale	1040108	1.25
				22-12-2017	(39901)	Sale	1000207	1.20
				23-03-2018	110692	Purchase	1110899	1.33
				30-03-2018	114308	Purchase	1225207	1.47
		1225207	**1.47**	**31-03-2018**			**1225207**	**1.47**
5	Shaunak Jagdish Shah	**199195**	**0.24**	**01-04-2017**		**Nil movement**	**199195**	**0.24**
		199195	**0.24**	**31-03-2018**		**during the year**	**199195**	**0.24**
6	Narendra Singhania	**184353**	**0.22**	**01-04-2017**			**184353**	**0.22**
				20-10-2017	10000	Purchase	194353	0.23
				22-12-2017	10000	Purchase	204353	0.25
		204353	**0.25**	**31-03-2018**			**204353**	**0.25**
7	KIFS Trade Capital Private Limited	**Nil**	**Nil**	**01-04-2017**	**-**	**-**	**Nil**	**Nil**
		750000	0.90	02-02-2018	750000	Purchase	750000	0.90
				09-02-2018	(42000)	Sale	708000	0.85
				30-03-2018	(11000)	Sale	697000	0.84
		697000	**0.84**	**31-03-2018**			**697000**	**0.84**
8	Rajagopalan Sugumar	**320000**	**0.38**	**01-04-2017**			**320000**	**0.38**
				21-04-2017	(4284)	Sale	315716	0.38
				05-05-2017	(7000)	Sale	308716	0.37
				19-05-2017	52748	Purchase	361464	0.43
				30-06-2017	3000	Purchase	364464	0.44

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share-holding during the year	
		No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				11-08-2017	(3482)	Sale	360982	0.43
				18-08-2017	3700	Purchase	364682	0.44
				15-09-2017	(9115)	Sale	355567	0.43
				22-09-2017	(18035)	Sale	337532	0.40
				27-10-2017	(15300)	Sale	322232	0.39
				29-12-2017	21	Purchase	322253	0.39
				12-01-2018	21596	Purchase	343849	0.41
				19-01-2018	30789	Purchase	374638	0.45
				02-02-2018	488	Purchase	375126	0.45
				09-02-2018	85986	Purchase	461112	0.55
				16-02-2018	534	Purchase	461646	0.55
				30-03-2018	(91700)	Sale	369946	0.44
		369946	**0.44**	**31-03-2018**			**369946**	**0.44**
9	Suryavanshi Commotrade Private Limited	**205000**	**0.25**	**01-04-2017**			**205000**	**0.25**
				04-08-2017	(39669)	Sale	165331	0.20
				11-08-2017	(95270)	Sale	70061	0.08
				18-08-2017	(70061)	Sale	-	-
		-	**-**	**31-03-2018**			**-**	**-**
10	Suresh Bhatia	**-**	**-**	**01-04-2017**			**-**	**-**
				21-04-2017	21000	Purchase	21000	0.03
				28-04-2017	99000	Purchase	120000	0.14
				09-03-2018	25000	Purchase	145000	0.17
				16-03-2018	180000	Purchase	325000	0.39
		325000	**0.39**	**31-03-2018**			**325000**	**0.39**
11	Suresh Bhatia	**250576**	**0.30**	**01-04-2017**	**-**	**Nil movement**	**250576**	**0.30**
		250576	**0.30**	**31-03-2018**	**-**	**during the year**	**250576**	**0.30**
12	Globe Capital Market Limited	**44000**	**0.05**	**01-04-2017**	**-**	**-**	**44000**	**0.05**
				26-01-2018	(44000)	Sale		
		-	**-**	**31-03-2018**			**-**	**-**
13	Edelweiss Custodial Services Limited	**12967**	**0.02**	**01-04-2017**				
				07-04-2017	(5040)	Sale	7927	0.01
				05-05-2017	23678	Purchase	31605	0.04
				12-05-2017	5364	Purchase	36969	0.04
				19-05-2017	607	Purchase	37576	0.05
				26-05-2017	(2469)	Sale	35107	0.04
				02-06-2017	(7817)	Sale	27290	0.03
				09-06-2017	(943)	Sale	26347	0.03
				16-06-2017	800	Purchase	27147	0.03
				23-06-2017	(200)	Sale	26947	0.03
				30-06-2017	618	Purchase	27565	0.03
				07-07-2017	188	Purchase	27753	0.03
				14-07-2017	11950	Purchase	39703	0.05

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share-holding during the year	
		No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				21-07-2017	26	Purchase	39729	0.05
				28-07-2017	665	Purchase	40394	0.05
				04-08-2017	650	Purchase	41044	0.05
				11-08-2017	792	Purchase	41836	0.05
				18-08-2017	(4999)	Sale	36837	0.04
				25-08-2017	(9725)	Sale	27112	0.03
				01-09-2017	1509	Purchase	28621	0.03
				08-09-2017	15717	Purchase	44338	0.05
				15-09-2017	9905	Purchase	54243	0.07
				22-09-2017	717	Purchase	54960	0.07
				30-09-2017	129	Purchase	55089	0.07
				06-10-2017	(325)	Sale	54764	0.07
				13-10-2017	(240)	Sale	54524	0.07
				20-10-2017	(97)	Sale	54427	0.07
				27-10-2017	26991	Purchase	81418	0.10
				31-10-2017	2020	Purchase	83438	0.10
				03-11-2017	842	Purchase	84280	0.10
				17-11-2017	770	Purchase	85050	0.10
				24-11-2017	8663	Purchase	93713	0.11
				01-12-2017	1649	Purchase	95362	0.11
				08-12-2017	900	Purchase	96262	0.12
				15-12-2017	(201)	Sale	96061	0.12
				22-12-2017	(45003)	Sale	51058	0.06
				29-12-2017	(15679)	Sale	35379	0.04
				30-12-2017	(3501)	Sale	31878	0.04
				05-01-2018	(10702)	Sale	21176	0.03
				12-01-2018	1166	Purchase	22342	0.03
				19-01-2018	7050	Purchase	29392	0.04
				26-01-2018	2295	Purchase	31687	0.04
				02-02-2018	217439	Purchase	249126	0.30
				09-02-2018	85327	Purchase	334453	0.40
				16-02-2018	(22)	Sale	334431	0.40
				23-02-2018	(118401)	Sale	216030	0.26
				02-03-2018	(988)	Sale	215042	0.26
				09-03-2018	(340)	Sale	214702	0.26
				16-03-2018	70223	Purchase	284925	0.34
				23-03-2018	5355	Purchase	290280	0.35
				30-03-2018	2032	Purchase	292312	0.35
		292312	**0.35**	**31-03-2018**			**292312**	**0.35**

Note: *1. We have considered Top 10 shareholders at the beginning of the year i.e. 1st April, 2017 and at the end of the year i.e. 31st March, 2018*

2. Since the shares to Investor Education and Protection Fund Authority (IEPFA) have been transferred by operation of law pursuant to Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules, 2016, the shareholding of IEPFA has not been included in the above-stated list.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Share-holding during the year	
		No. of Shares at the beginning (01-04-2017)/ end of the year (31-03-2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
DIRECTORS								
1	Mr. Arvind Singhania*	**150**	-	**01-04-2017**	-	Nil movement during the	**150**	-
		150	-	**31-03-2018**	-		**150**	-
2	Mr. M S Ramachandran	-	-	**01-04-2017**	-	Nil movement during the year	-	-
		-	-	**31-03-2018**	-		-	-
3	Mr. Sandeep Dinodia	-	-	**01-04-2017**	-	Nil movement during the year	-	-
		-	-	**31-03-2018**	-		-	-
4	Mr. Ashok Newatia	-	-	**01-04-2017**	-	Nil movement during the year	-	-
				31-03-2018	-		-	-
5	Mr. P S Dasgupta	-	-	**01-04-2017**	-	Nil movement during the year	-	-
		-	-	**31-03-2017**	-		-	-
6	Dr. Anand Chand Burman	-	-	**01-04-2017**	-	Nil movement during the year	-	-
		-	-	**31-03-2018**	-		-	-
7	Mr. Dinesh Chandra Kothari	**20000**	0.02	**01-04-2017**	-	Nil movement during the year	**20000**	0.02
		20000	0.02	**31-03-2018**	-		**20000**	0.02
8	Mrs. Archana Singhania	-	-	**01-04-2017**	-	Nil movement during the year	-	-
		-	-	**31-03-2018**	-		-	-
9	Mr. Pradeep Kumar Rustagi*	**400**	-	**01-04-2017**	-	Nil movement during the year	**400**	-
		400	-	**31-03-2018**	-		**400**	-
	KEY MANAGERIAL PERSONNEL (KMP)							
10	Mr. Diwaker Dinesh	**10**	-	**01-04-2017**	-	Nil movement during the year	**10**	-
		10	-	**31-03-2018**	-		**10**	-

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

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,983.51	Nil	Nil	30,983.51
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)	**31,007.81**	**Nil**	**Nil**	**31,007.81**
Change in Indebtedness during the financial year				
• Addition	3686.53	504.15	Nil	4190.68
• Reduction	4410.69	Nil	Nil	4410.69

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	**(724.16)**	**504.15**	**Nil**	**(220.01)**
Indebtedness at the end of the financial year				
i) Principal Amount	30,267.32	504.15	Nil	30,771.47
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	16.33	Nil	Nil	16.33
Total (i+ii+iii)	**30,283.65**	**504.15**	**Nil**	**30,787.80**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Arvind Singhania Chairman & CEO	Mr. Pradeep Kumar Rustagi Executive Director & CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	138.66	87.87	226.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.32	0.72
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…			
5	Others (PF, SAF)	9.60	5.80	15.40
	Total (A)	**148.66**	**93.99**	**242.65**
	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)

S.N.	Directors	Particulars of Remuneration			Total
		Fee for attending board / committee meetings	Commission	Others, please specify	
1.	**INDEPENDENT DIRECTORS**				
	Mr. Sandeep Dinodia	0.80	-	-	0.80
	Mr. M S Ramachandran	1.00	-	-	1.00
	Mr. Dinesh Chandra Kothari	0.50	-	-	0.50
	Mr. P S Dasgupta	0.30	-	-	0.30
	Dr. Anand Chand Burman	0.20	-	-	0.20
	Mr. Ashok Newatia	0.90	-	-	0.90
	TOTAL B(1)	**3.70**	**-**	**-**	**3.70**
2.	**OTHER NON-EXECUTIVE DIRECTORS**				
	Mrs. Archana Singhania	0.30	-	-	0.30
	TOTAL B(2)	**0.30**	**-**	**-**	**0.30**
	TOTAL MANAGERIAL REMUNERATION B(1)+B(2)	**4.00**	**-**	**-**	**4.00**
	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	17.63	87.87	105.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.32	0.64
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-
5	Others, (PF, SAF)	1.11	5.80	6.91
	Total	**19.06**	**93.99**	**113.05**

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: 14th August, 2018
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://www.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:** Average of preceding three financial years (2014-15, 2015-16 and 2016-17) being loss, the Company has not incurred amount on CSR activities during financial year 2017-18.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not applicable as explained in Point No. 3

5. **Details of CSR spent during the financial year:** Rs. 2.80 Lacs

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 as explained in Point No. 3

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 : 14th Aug, 2018	**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	44:1	No Increase
Mr. Pradeep Kumar Rustagi	28:1	No Increase

The percentage increase in remuneration of the Company Secretary and Chief Financial Officer is 7% and 23% respectively.

Note: No remuneration has been paid to Non-Executive Director, only Sitting fee is paid to Non-Executive Directors. 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 5% in median remuneration of employees.

III. The number of permanent employees on the rolls of company – 541 as on 31st March, 2018

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

Average percentage increase in the remuneration of employees other than managerial personnel in the last financial year is around 9.90% while average percentage increase in managerial remuneration is 17%. There are various factors to ensure fair remuneration to the employee and managerial personnel including industry trend, individual performance, increase given in past etc. The incrase in remuneration of employee other than managerial personnel is in lie with the increase in remuneration of managerial personnel however perfect correlation may not be visible because of the factors as stated above.

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 : 14th Aug, 2018
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:**	NIL
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	c) Duration of the contracts / arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	e) Justification for entering into such contracts or arrangements or transactions	
	f) Date(s) of approval by the Board	
	g) Amount paid as advances, if any	
	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	
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	NIL
	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	

Date : 14th August, 2018
Place : New Delhi

Sd/-
Arvind Singhania
Chairman & CEO

ANNEXURE F

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

A. CONSERVATION OF ENERGY

1 **Steps taken or impact on conservation of energy - Energy Conservation Initiatives taken:**

- In Primary Heater # 5, constructed new refractory for improving insulation. This resulted into savings of Rs. 40.80 lacs per annum under the expense head 'Power & Fuel'
- Replaced 4 existing Chilled Water & UCT pumps with high efficiency pumps resulting into saving of about 213360 units per annum (Rs. 13.08 Lacs)
- Replaced existing pumps with 2 high efficiency Chilled Water Pumps in Film Line # 1 & 2 resulting into saving of about 110880 units per annum (Rs. 6.87 Lacs)
- Replaced 850 electric tubes of 36W each with LED tubes of 18W each resulting into saving of about 96307 units per annum (Rs. 6.26 Lacs)
- Installed 1 VFD in Erema-1 Conveying Blower resulting into saving of about 45230 units per annum (Rs. 2.94 Lacs)
- Installed 1 VFD in PCT Pump – 4 resulting into saving of about 38461 units per annum (Rs. 2.5 Lacs)
- Replaced existing pumps with 2 high efficiency Pumps in C P Cooling Towers resulting into saving of about 39648 units per annum (Rs. 2.43 Lacs).
- Installed Minimum Current Relay in TDO / OFF Line Grinder (Film Plant # 3) resulting into saving of about 23230 units per annum (Rs. 1.51 Lacs)
- Replaced 80 CFL Street Light Fittings of 85W each with LED lights of 36W each resulting into saving of 16090 units per annum (Rs. 1.07 Lacs).
- **Steps taken by the company for utilizing alternate sources of energy:**

  As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2017-18 for utilizing alternate sources of energy:

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

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

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

  Out of total spend of Rs. 6351.04 lacs on Power & Fuel during the FY 2017-18, only Rs. 404.64 lacs is on HSD & Furnace Oil

2. <u>The capital investment on energy conservation equipments during 2017-18:</u>

During the year under review, Company has incurred capital investment of about Rs. 120.00 lacs on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

Upgraded Winder in Film Plant # 2 with advanced technology for quality improvement of the finished product.

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

Product development and improvement in product quality

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

4. Research and Development –

Sales revenue from products manufactured during R & D	– Rs. 73.29 lacs
Expenditure incurred on R & D for production of aforesaid products	– Rs. 434.71 lacs
Net Expenditure incurred on R & D activities	-- Rs. 361.42 lacs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign 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.

	2017-18	**2016-17**
1. Earnings – FOB Value of Exports	**23306.03**	17852.91
2. Outgo – CIF Value of Imports	**14211.11**	10908.22

Date : 14th August, 2018
Place : New Delhi

Sd/-
Arvind Singhania
Chairman & CEO

Management Discussion and Analysis

Overview

In spite of weak global growth, the Indian economy is estimated to have grown by 6.7[1] percent during FY 2017-18 as compared to 7.1[1] percent during the previous year. In 2017 country undertook a major tax reform by implementing GST making variety of taxes getting merged under one umbrella. This reform led to a temporary slowdown in business activity due to pipeline inventory reduction is the first quarter however this slowdown was short lived and economy posted moderate growth level in months following GST roll-out. This temporary slowdown economic performance in first two quarters which was followed by strong growth in remaining quarters.

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).

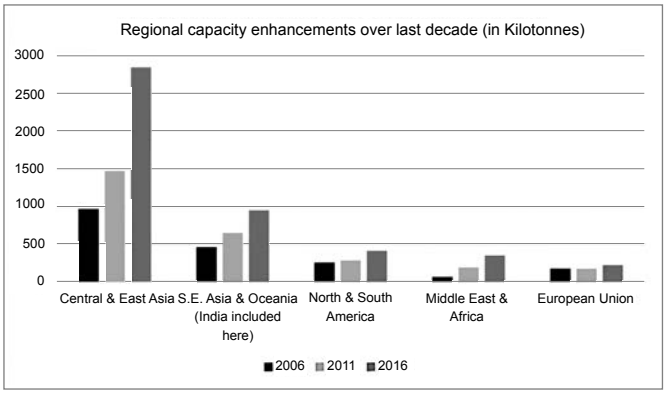
Industry Overview

Global Market: Demand

Over the last five years, the BOPET film market has been growing to the tune of 6-7[3] percent. 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[2] percent, mostly due to increased consumption in photovoltaic cells. The demand growth in flexible packaging segment continued to outshine overall growth rate. The global demand of PET films continued with steady growth and this trend is expected to continue in near future.

Global Market: Capacity

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



This significant capacity expansion since 2011 caused an oversupply of BOPET film, which in turn resulted in drop in capacity utilization levels from 82 percent in 2011 to 70 percent in 2016. In 2017 fewer capacities were added and with the growth in demand, the overall capacity utilization level recorded an improvement over previous years. Since capacity utilization levels and margin levels are positively correlated hence this improvement in capacity utilization levels helped improvement in margin levels. The overall increase in selling price was much larger as raw material prices firmed up over last year.

In the recent past Indian and Chinese markets have grown by almost twice the world average, whereas the mature markets (European Union & North 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[3] percent over the last five years. Low per capita consumption of PET film in India, new innovation in 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 production capacity of BOPET films in India at the end of 2017 was approximately 628[2] KTPA as no capacities were commissioned during 2017-18, whereas the local demand increased to about 420[3] KTPA indicating an increase of over 10[3] percent. Exports of BOPET film continued to rise and it is estimated that total exports of BOPET film touched nearly 180[3] KT in FY 2017-18.

Performance Overview (FY 2017-18)

The sales volume of the Polyester film business unit has grown from 51.2KT to 52.4KT this year, an increase of about 2.3 percent. Sales value during this period rose by about 11 percent as compared to the previous year. This rise was largely attributable to richer product mix and increased selling prices.

Ester continued its focus on strategic agenda for developing a portfolio of Value Added & Specialty products and continual efficiency improvements. The portfolio of value added and specialty products recorded a robust growth over last year and various cost reduction initiatives contributed to the improvement in overall profitability. Ester continued building strong business relationships with key end users with commercialization of several prestigious projects with some of the leading FMCG companies across the globe. Further Ester successfully qualified with several leading large multinational converters for their global supplies. The export business of Ester increased to 33% share of revenue compared to 29% last year with global footprint expanding through a 27 % increase in its export revenue.

To further improve margins, Ester progressed with various productivity/ efficiency improvement projects such as waste reduction, productivity enhancement, energy & packaging cost reduction, preventive maintenance, 5S, process re-engineering & optimization. The benefits of the above initiatives were partly realized during FY 2017-18 with full benefits expected to flow from FY 2018-19.

Aligned with its objective of becoming a technology driven enterprise, Ester committed significant investments to its development capabilities during FY 2017-18. As a result of the above, Ester enhanced its specialty product portfolio through introduction of new range of barrier films and a range of films for graphic arts segment.

Besides these new products, Ester made significant progress on new development projects in the pipeline, which shall significantly enhance

the existing product portfolio. This will further help Ester's customers to be updated with changing market requirements.

Outlook

Rising disposable income, new innovation in packaging formats, consumption of packaged food products and current low per capita consumption would continue to support demand growth in the range of 10-12[3] percent per annum domestically and about 6-7[3] percent globally.

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 stronger customer relationships
- Business process re-engineering towards continual efficiency improvements
- Incorporate industry best practices for continuous improvement and better profitability

References

1. https://www.statista.com/statistics/263617/gross-domestic-product-gdp-growth-rate-in-india/
2. PCI Wood Mackenzie World Film Market Trends
3. Internal estimates

Engineering Plastics Business

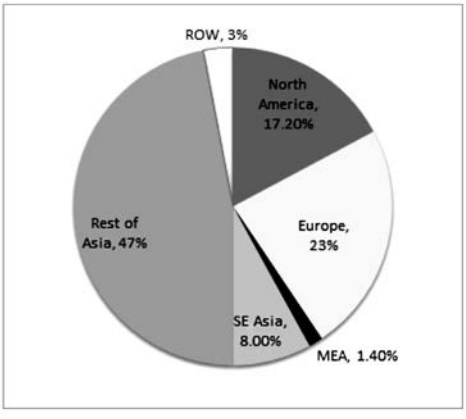
The Product

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 65 Bn in 2017 (based on various industry reports) – is expected to grow at a CAGR of ~5% through to 2023. Asia continues to lead the demand for Engineering Plastics, accounting for 55% of the market. A snapshot of the regional distribution in 2017 is provided below:



Key developments with respect to backward integration as well as consolidation include Chemtura's acquisition by Lanxess – which would allow it to leverage on Chemtura's expertise in additives & flame retardants and BASF strengthening its nylon business through acquisition of Solvay's global polyamides (PA) business. Solvay is expected to continue with its strategy of focusing on high-value polymers.

Asia continued its growth journey in 2017.Asian EP majors – China and India – registered volumetric growth of 8 to 9%, whereas Japan, Malaysia and Vietnam showed slower growth in the automotive sector. Japan witnessed better turnarounds in exports of electrical & electronics components, registering a growth of ~3%. Automobile production in Thailand and Indonesia grew by 2.3% and 3.5% respectively.

North America accounted for ~17% of EP demand by volume. The automotive industry's move towards lighter vehicles (components) and the growing demand for Electric Vehicles resulted in a growth of 4-5%. Canada – which exports automobiles to US consumers – saw a decline in demand in 2017. Smartphone sales in North America grew by 6%. The region witnessed PolyOne's acquisition of PlastoComp – a specialist in thermoplastic materials.

Europe witnessed a growth of 3 to 4%, with the European economy showing signs of recovery. As in the North American market, Europe's car-makers are also extensively investing and working on electric vehicles and lighter components for transportation. There has been an upward push in production in 2017, with France and Italy recording growth of 6.5% and 3.5% respectively. The automotive sector in Central & Eastern Europe showed improvement in 2017, with Slovenia, Czech Republic and Poland registering growth of 20%, 5.1% and 1.2% respectively.

Latin America continued to face challenging times, with most countries going through political transformations. With respect to EP demand, the most severe impact is seen in the automotive sector. While Mexico and Brazil showed a positive trend compared to the previous year, Argentina and Colombia saw a dip in production. It is expected that the LATAM economies could begin to see some improvement in 2 to 3 years.

Key drivers for Industry Growth

- Increased usage of plastics for light-weighting in the automotive industry, driven by regulatory requirements in the Western world.
- Environmental concerns driving demand for Electric Vehicles
- Phasing out of old vehicles is also expected to drive consumption.
- Innovative recycling technologies for engineering plastics
- Government initiatives such as "Make in India", "Digital India" and "Domestic Efficient Lighting Programme" favourably impacting end-user segments.
- Growing demand for polyamides in 3D printing.
- Enhanced electrical safety awareness resulting in increased usage of LVSG.
- New developments / applications for engineering plastics across various industries such as the Medical & Aerospace industries.

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

Performance Overview

After two consecutive years of negative sales growth, Ester's Engineering Plastics SBUgot back on the growth track, registering an impressive growth of 18.4% (10.3% in volumetric terms) in FY 2017-18. The higher growth in value terms was on account of ~8% increase in

unit selling price as compared to the previous year. The steady increase in selling price that had commenced in the 4th quarter of 2016-17 (a trend reversal after a 14-month period of dropping prices) continued through the whole of 2017-18, owing to the steep increase in polymer prices. The year was plagued by frequent price increases effected by polymer manufacturers. Besides rising crude price that influenced prices of most polymers, a severe demand-supply gap for key polymers like PA66 & PC – consequent to a number of force majeure announcements by polymer manufacturers – also impacted polymer prices adversely. Passing on the full impact of the cost increase to customers timely was challenging, given the steep and frequent increase in polymer prices.

While sales volumes of EP compounds (catering to end-use segments such as automotive, electrical & electronics and appliances) grew by ~2%, volumetric sales to the Optical Fiber Cable industry registered a growth of more than 30%. GST rollout significantly impacted sales of EP compounds for a period of 2 to 3 months, when several customers stopped/restricted their procurement activities. Time taken for recovery was the longest in the LVSG segment, which has been one of Ester's strength areas. Regional strategies adopted by some polymer manufacturers – wherein cost increase of polymers (purchased for compounding) was higher than that effected for their EP compounds – also had an adverse impact on sales volumes and contribution of Ester's EP compounds. While sales volumes into the OFC segment registered a healthy growth, contribution remained under pressure throughout the year owing to threat of direct Chinese imports by customers.

Despite the above-mentioned setbacks, the 4-year CAGR (FY 2013-14 to FY 2017-18) of Ester's EP business at 4.4% (value terms) and 6% (volumetric terms) was more or less aligned with industry growth levels.

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

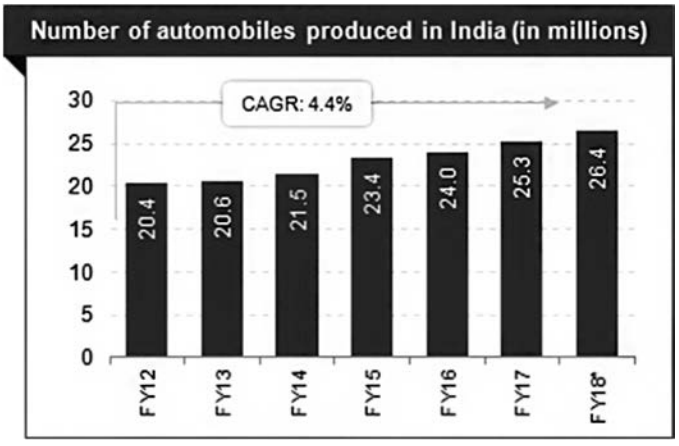
- Continued focus on new product development, with some special grades developed for niche market segments.
- Worked towards further strengthening our business relationship with OEM/Tier 1 customers in the domestic market, which increased our penetration in the switch gear segment.
- Enhanced brand visibility of Ester's EP business through participation in two international exhibitions – Complast (Sri Lanka) and IPF (Bangladesh) – as well as in Plastindia.
- Focused efforts towards expanding our global footprint, with new customers secured in the Exports market. Significant growth was achieved in Exports volumes, with entry into new geographies.
- Enhanced distribution reach in the domestic market to meet customer requirements in the South/West/East regions.
- Focused on process improvement with a view to enhancing productivity/efficiency and optimising costs across the business.
- Sustained efforts towards continual evaluation of opportunities to improve supply chain efficiency. Focused on business continuity initiatives – to meet demand of key customers – following force majeure announcements, by some key polymer manufacturers, that had severely impacted RM availability.

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 Automotive Mission Plan 2026 aims at taking the Indian Automotive Industry to the top three of the world in engineering, manufacture and exports of vehicles & components – growing in value to over USD 250 Bn by 2026, thereby accounting for 12% of India GDP.

The Indian auto industry accounts for about half of the EP consumption in India. Given below is a snapshot of vehicle production.



Note: **(FY18* - up to February 2018)**

Source: *Society of Indian Automobile Manufacturers (SIAM)*

Overall domestic automobile sales grew at a CAGR of 7.01% between FY 13-18, with 24.97 Mn vehicles sold in FY18. Overall automobile exports from India grew at a CAGR of 6.86% during this period. The auto industry registered an overall sales growth of 14.8% in 2017-18. Segment-wise sales growth is tabulated below;

Segment	Growth in FY17-18
Passenger Vehicles	7.9%
Commercial Vehicles	19.9%
Two-Wheelers	14.2%
Three-Wheelers	24.2%
Overall	**14.8%**

Within the Passenger Vehicles segment, Passenger Cars, Utility Vehicles and Vans grew by 3.3%, 20.9% and 5.8% respectively.

Within the Commercial Vehicles segment, Medium & Heavy Commercial vehicles grew by 12.5%, whereas Light Commercial vehicles grew by 25.4%.

Within the Two-Wheelers segment, Scooter and Motorcycle sales grew by 19.9% and 13.7% respectively, while Moped sales declined by 3.5%.

Within the Three-Wheelers segment, Passenger Carrier and Goods Carrier sales registered a growth of 28.7% and 7.8% respectively.

Overall automobile exports grew by 16.1%, with Two-Wheeler & Three-Wheeler segments registering a growth of 20.3% & 40.1% respectively.

The Two-Wheelers segment dominates the market in terms of volume, with demand being driven by a growing middle class and a young population. Growing interest of manufacturers in exploring rural markets is expected to further fuel demand growth. The Indian auto industry also has strong export growth aspirations.

The government is looking towards adopting new and different ways to promote clean, safe, cheap and futuristic mobility services. It is promoting the use of Electric Vehicles under FAME India Scheme. Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017-18.

Electrical & Electronics Segment

The electrical industry – accounting for the second largest demand for engineering plastics after the Auto industry – comprises of the lighting and electrical equipment industries. With respect to EP demand perspective, the key segments in the electrical equipment industry include the switchgear and the energy meters industries. The

Low Voltage Switchgear Industry covers products such as Air Circuit Breakers, Moulded Case Circuit Breakers, Miniature Circuit Breakers and Residual current devices,

Following business re-alignments for GST implementation, the electrical equipment industry has strengthened growth momentum. While heavyweight sectors like Transformers, Cable and Transmission Line Towers have registered double digit growth in production, the LV Switchgear industry has been sluggish – with growth decelerating to 5.4%.Low growth in MCBs & RCDs can be attributed to slower off-take by the realty & infrastructure sectors. TLT production grew mainly on account of greater Exports (including deemed exports) demand. Demand for Meters (including Smart Meters) also witnessed a healthy growth during the year.

The lighting market in India is evolving, with LEDs replacing conventional products at a rapid pace. This transition – driven by an increasing number of government initiatives for energy conservation, falling LED prices coupled with government subsidies, rising consumer awareness about energy-efficient products and innovative products being offered by the industry – is expected to fuel demand growth from the industrial, residential and commercial sectors. As reported by TechSci (a global research based consulting firm), the LED lighting market in India is projected to register a CAGR of over 30% during 2016-2021. As estimated by the Electric Lamp & Component Manufacturers Association of India, the LED market in India is expected to grow to INR 216 billion by 2020 – thereby accounting for about 60 per cent of India's total lighting industry.

The Indian electronics market – one of the largest in the world – is projected to grow at a CAGR of ~30% during the period 2015-2020. By 2022, the market size is estimated to reach US$ 400 billion, with a major share of demand being met through imports. The government is taking initiatives to make domestic production more competitive. Total production of electronics hardware goods in India is estimated to reach US$ 104 billion by 2020.The growing customer base and increased penetration in the consumer durables segment has provided excellent scope for the growth of the Indian electronics sector. Greater digitisation could lead to increased broadband penetration in the country – opening up newer avenues for the industry.

Optical Fiber Cable Segment

The India OFC market is projected to grow at a CAGR of 17% through to 2023 (considering 2017 as the base year), surpassing USD 424 Mn by 2020. Market growth is expected to be driven by rising investments in OFC network infrastructure by the Indian government to increase internet penetration country-wide, which is in line with the government's initiatives such as "Smart Cities Vision" & "Digital India". Growing demand for OFC from the IT & telecom sector, rising number of mobile devices, increasing adoption of FTTH (Fiber to the Home) connectivity and surging number of data centers is expected to fuel demand growth in the coming years.

The government's BharatNet project (earlier NOFN) envisages delivery of high-speed broadband services in over 2.5 lakh villages, benefitting more than 200 million rural Indians. The project – launched in 2012 – is aimed at promoting e-governance by delivering government services related to health, education, skills training and other such areas. Until December 2017, 100,000 gram panchayats have been connected through optic fibre cable under Phase-1 of the project. The project achieved a global record by laying of 800 kilometres of optical fibre per day. The targeted completion date for Phase-2 of the project is March 2019, with Phase-3 slated to be completed by 2023 – thereby ensuring demand growth for 5 years.

Future Outlook

Having got back onto the growth track in 2017-18, Ester intends to maintain this momentum and work aggressively towards profitable growth. Some of the key actions towards ensuring this objective include;

- Work towards enhanced profitability
  - o Process improvement to enhance productivity/efficiency
  - o Variable cost reduction through R&D and Supply Chain initiatives
  - o Enhanced customer / product mix
- Build on relationship with OEMs & Tier-1/2 customers in the automotive/electrical segments and secure approvals for long-term sustainability.
- Focus on aggressive Exports growth
  - o Participation in international exhibitions to enhance brand visibility
  - o Build on successes secured in the last 12 months
  - o Expand global footprint and gain entry into new geographies
- Enhance R&D capability (in-house or through strategic alliances) aligned with technological developments and acquire advanced technical expertise in the field of EP compounding to address changing customer needs.
- Continue to focus on new product development & collaborative application development projects to enter niche markets.
- Evaluate options (including additional/alternate manufacturing facility) to improve supply chain efficiency and enhance distribution reach & delivery capability in West/South as well as Exports markets
- Enhance Ester's UL-certified product portfolio to include Polyamides
- Develop alternate vendors for key raw materials (polymers/ additives) to ensure business continuity in the prevailing market scenario

Specialty Polymer Business

Ester continues its efforts on the Specialty Polymer Business with gusto. While the gestation period for the business is longer than expected, we are confident that it will give very fruitful results in not too distant a future.

We continue our efforts on product development mainly focusing on textile, rigid packaging, carpets and industrial applications and are happy to report that some of the new products have found favour with customers across all geographies. Our MB 06 for Cationic dyeability has finally found success after nearly three years of efforts and commercial shipments have commenced on a modest basis. MB 07 for Easy dye has also been approved by many customers and small commercial shipments have also been made. We expect to see volumes growing with these two products in the coming months. Apart from this work continues on a special product for a marquis customer for an electronics application. All samples given have met the expectations of the customers and we are awaiting commercialisation in the next few months. A new product for the carpet application has found great interest and once successful is expected to give substantial volumes and margin to the business. The stain resistant master batch MB 03 continues with modest volumes at present but we expect volumes to grow in the coming 12 months.

Future Outlook

We remain bullish about the specialty polymer business and despite the fact that the time taken for it to really take off has been long, the results it will yield will be worth the wait.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2017-18)	Quantity Produced (MT) (During 2016-17)	Growth
Polyester Chips	54436	51547	5.60%
Specialty Polymers	2138	2833	(24.53%)
PET Film – Non Metallized	52534	51778	1.46%
PET Film– Metallized	9790	9396	4.19%
Engineering Plastics	12839	11226	14.37%

	Quantity Sold (During 2017-18)	Quantity Sold (During 2016-17)	Growth
Polyester Chips	2016	--	+ive
Specialty Polymers	2822	2671	5.65%
PET Film – Non Metallized	42664	41922	1.77%
PET Film – Metallized	9751	9278	5.10%
Sub Total – PET Film	**52415**	**51200**	**2.37%**
Engineering Plastics	12001	10876	10.34%

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2017-18)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2016-17)	Growth
Polyester Chips	933.74	--	+ive
Specialty Polymers	4809.21	4162.46	15.54%
PET Film – Non Metallized	44049.63	39701.62	10.95%
PET Film – Metallized	12866.08	11498.09	11.90%
Sub Total - PET Film	**56915.71**	**51199.71**	**11.16%**
Engineering Plastics	17106.30	14444.69	18.43%
Others	331.30	251.23	31.87%
Total	**80096.27**	**70058.09**	**14.33%**
Rebates & Discounts	225.45	418.47	
Total Net Sales	**79870.82**	**69639.62**	**14.69%**

	(Rs. in Lacs) (During 2017-18)	(Rs. in Lacs) (During 2016-17)	Growth
EBITDA	7129.64	4918.88	44.94%
PBT	748.83	(1592.64)	+ive
PAT	529.41	(1068.80)	+ive
Other Comprehensive Income	29.03	(10.87)	+ive
Total Comprehensive Income	558.43	(1079.67)	+ive

One of the main factors for increased revenue from operations was increase in sales of Polyester Film. Besides the 2.4% increase in sales volume of Polyester Film, increase in selling prices of Polyester Film (consequent to increase in feedstock prices) and higher proportion of Value Added products also contributed towards an increase in sales revenue by 11.2%

Owing to bridging of demand-supply gap consequent to growth in demand, increase in selling prices of Polyester Film was higher than the increase in feedstock prices. This resulted into enhanced margins and improved profitability of Polyester Film SBU.

While sales of Engineering Plastics Compounds remained stable despite adverse effect of GST roll out on the demand for application industries for a quarter, sales of Engineering Plastics for OFC application– in quantitative terms – increased by 32.2% on the back of increased demand.

Overall impact of GST roll out on Polyester Film & Engineering Plastics SBUs has been positive.

While Specialty Polymers SBU witnessed marginal improvement in sales in volumetric terms by 5.7%, the improvement in sales in value terms was 15.5% on account of favourable product mix.

Improvement in the financial performance of the Company was on account of improved market scenario and also on account of sustained focus towards its strategic objective of enhancing sales of Value Added & Specialty products.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Outside Liabilities : Tangible Net Worth ratio stand at 1.43 as at 31st March 2018. The book value per equity share stood at Rs.33.97

Risk Management

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

Upon detailed review of the identified risks & mitigation plan thereof, the Board is of the opinion that that there are no risks which may threaten very existence of the Company.

Intellectual Capital

The business environment has undergone a remarkable set of changes in the last decade. Industry and businesses worldwide are striving to formulate strategies, sharpen operations, bring down costs, improve quality and differentiate products to increase their worth in the market. This is an era of continuous improvement in thoughts & processes, which is the only way to move towards competitiveness.

All these changes in the competitive environment demand that we transform ourselves to become the first choice of customers in terms of time, quality and price. Further, it is also important that we build our efficiencies in all the category of resources.

To achieve above, we embarked on a challenging yet exciting journey of evolving from a function based organization to a Process Based

Organization. The project named “OYSTER” has clear deliverables for customer value creation and elimination of waste.

While we sustained the momentum of human capital development and continued with our various people initiatives, the major focused remained on successful implementation of the Project Oyster, this year. The learning and development framework is modified to align it with the needs of the project. Operating processes for entire business operations are being relooked for improvement keeping the customer delivery in mind. These processes are being kept at the center for training the workforce. Having multi-skilled workforce is the first and most critical element to the success of the project. Therefore, extensive trainings are being conducted to build self-sufficient process teams. Reward programs are being linked to learning certifications.

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

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

Cautionary statement

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

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of transparency and accountability which are integral part of our business and endeavour to ensure fairness for every stakeholder our customers, investors, vendors and the communities wherever we operate.We always seek to ensure that our performance is driven by integrity, value and ethics. Responsible corporate conduct is integral to the way we do our business. It is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization.

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

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

In Ester, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

1. Board of Directors

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

All the Independent Directors of the Company have confirmed that they meet the criteria as mentioned under SEBI (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 2017-18 on 2nd June, 2017, 14th September, 2017, 12th December, 2017 and 13th February, 2018. Last Annual General Meeting (AGM) of the Company was held on 4th September, 2017.

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	2	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	2	1
Mr. Dinesh Chandra Kothari	Independent Director	2	No	3	None	4	1
Dr. Anand Chand Burman	Independent Director	2	No	6	1	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	3	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 in every quarter to review the Quarterly Results and to take decisions on matters pertaining to Company's working. In case of business exigencies, resolutions are passed by circulation or a Board meeting is conducted depending on the matter.

All Board Members are given advance notice of the Meetings in compliance with the Companies Act, 2013. The Meetings are governed by structured Agenda. The detailed Agenda along with the explanatory notes are also circulated in advance to participate effectively in the Board discussions. All agenda items are backed by comprehensive background information and relevant documents to enable the Board to take informed decisions. The Directors are also free to recommend inclusion of any matter in the agenda for discussion and also seek any other information or documents on any matter of Agenda. Information provided to the Directors include the following information as stated in SEBI (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, market conditions, Board constitution, guidelines, matters reserved for the Board, and the major risks and risk management strategy etc.

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

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

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

Statutory Compliance

The Board quarterly reviews the Compliance Report of the 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 13th February, 2018 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 2017-2018, the Audit Committee has met on 2nd June, 2017, 14th September, 2017, 12th December, 2017 and 13th February, 2018. 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 4th September, 2017.

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 2017-2018, one meeting of Nomination and Remuneration Committee was held on 13th February, 2018. 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	1	1
Mr. Dinesh Chandra Kothari Member	Independent Director	1	1
Mr. P S Dasgupta Member	Independent Director	1	1
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	1	1

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

Details of Remuneration to Non-Executive Directors & Independent Directors

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Borrowing Committee). The Shareholders have approved at the AGM of the Company on 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 Board has recommended to re-appoint Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Ashok Newatia, Dr. Anand Chand Burman and Mr. P S Dasgupta as Independent Directors for a second term of 5 (Five) consecutive years to hold office up to 31st March, 2024 on the above-stated terms and remunerations. Other terms and conditions of the appointment of the above-stated Independent Directors are given on the website of the Company viz **www.esterindustries.com.**

The details of sitting fees paid during the year 2017-18 to the Directors are given below –

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. Ashok Kumar Newatia	90,000
Mr. Sandeep Dinodia	80,000
Mr. M S Ramachandran	1,00,000
Mr. Dinesh Chandra Kothari	50,000
Mr. P S Dasgupta	30,000
Dr. Anand Chand Burman	20,000
Mrs. Archana Singhania	30,000

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/Wholetime 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 2017-18, following remuneration to Executive Directors were paid/payable-

(Rs. in Lacs)

Name of Director	Salary	Allowances & Perquisites	PF & SAF	Total
Mr. Arvind Singhania	80.00	59.06	9.60	148.66
Mr. Pradeep Kumar Rustagi	40.02	48.17	5.80	93.99

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.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Pradeep Kumar Rustagi will retire by rotation at the forthcoming AGM of Company and being eligible, offers himself for re-election and if re-appointed, he will continue to act as Executive Director on the same terms and conditions as approved at the time of his appointment as Executive Director in the current term.

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 13 meetings of the Committee were held on 5th April, 2017, 11th May, 2017, 22nd May, 2017, 12th June, 2017, 7th July, 2017, 20th July, 2017, 5th October, 2017, 23rd November, 2017, 29th December, 2017, 5th January, 2018, 22nd January, 2018, 9th February, 2018 and 14th March, 2018.

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	13	13
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	13	9
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	13	13

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

The Company has received 80 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, 2018.

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 7 meetings were held on 12th July, 2017, 21st August, 2017, 20th November, 2017, 29th December, 2017, 5th February, 2018, 27th February, 2018 and 19th March, 2018.

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	7	6
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	7	6
Mr. Pradeep Kumar Rustagi Member	Executive Director& CFO	7	7

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 1 meeting was held on 2nd June, 2017.

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	1	1
Mr. Ashok Kumar Newatia Member	Independent Director	1	1
Mrs. Archana Singhania Member	Non-Executive Director	1	Nil
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	1	1

7. General Body Meetings

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

Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2016-17	04.09.2017	10.30 AM	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Re-appointment of Mr. Arvind Singhania as Managing Director of the Company 2. Re-appointment of Mr. Pradeep Kumar Rustagi as Whole-time Director of the Company
2015-16	24.09.2016	10.30 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

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 followinglink –

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

All transactions, if any, entered into by the Company with related parties during the financial year were on arm's length basis. During the financial year 2017-18, 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.

Whistle Blower policy (Policy on Vigil Mechanism)

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

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

Policy on Material Subsidiaries

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

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

http://www.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 2018, 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, 2018.
- 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 - It is 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, 24th September, 2018, 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 2018	Aug – 2018
Financial Results for the Quarter ending 30th September 2018	November – 2018
Financial Results for the Quarter ending 31st December 2018	February – 2018
Financial Results for the Quarter and year ending 31st March 2019	May – 2019
Annual General Meeting	September 2019

- **Books closure date: 18th September, 2018 to 24th September, 2018.**

- **Dividend**

No Dividend has been recommended for the financial year 2017-18. 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 2009-10 (final) and 2010-11 (Interim) 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	**2010-11**	**2013-14**
Nature of Dividend	**Final**	**Final**
Date of Declaration	25-07-2011	22-09-2014
Last date to claim dividend	31-08-2018	23-10-2021
Proposed date of transfer of Dividend	30-09-2018	22-11-2021

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

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

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

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

http://www.iepf.gov.in/IEPFA/refund.html

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

- **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

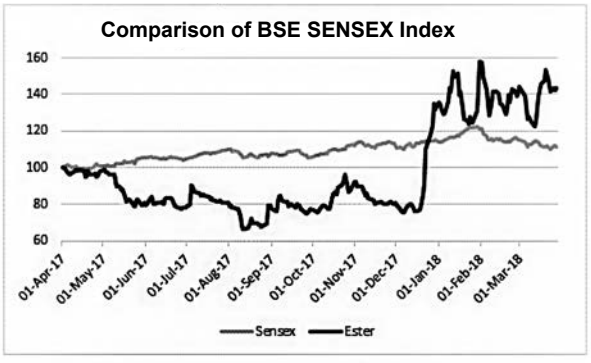
The Listing Fees for the financial year 2018-19 have been paid to stock exchanges within the prescribed time period.

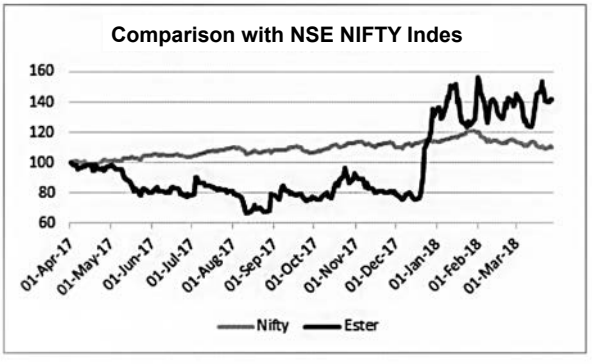
- **Stock Market Data:**

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-17	49.75	43.90	11,83,089	49.70	43.75	29,61,977
May-17	47.50	36.40	23,23,727	47.45	36.25	45,63,822
Jun-17	40.15	35.45	3,71,505	39.95	35.55	7,40,338
Jul-17	45.50	36.30	9,13,808	45.60	36.25	17,40,819
Aug-17	38.75	30.00	6,71,288	38.55	30.00	17,25,988
Sep-17	41.50	34.85	5,86,665	41.65	33.50	14,05,131
Oct-17	46.80	35.10	10,63,244	46.80	35.20	25,60,304
Nov-17	44.80	37.05	7,60,498	44.95	37.20	24,11,432
Dec-17	65.40	33.65	51,12,687	65.20	34.00	1,12,75,807
Jan-18	74.00	57.60	54,91,103	73.50	57.60	1,12,57,815
Feb-18	77.50	59.60	14,55,967	77.00	58.85	51,75,504
Mar-18	75.20	56.55	7,78,246	75.30	57.00	31,53,561

- **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 2018:

Shareholding of Nominal Value of Rs. 5 each	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-5000	18401	91.33	4241179	5.09
5001-10000	742	3.68	1186463	1.42
10001-20000	416	2.07	1232262	1.48
20001-30000	201	0.99	1018455	1.22
30001-40000	83	0.41	585966	0.70
40001-50000	82	0.41	783500	0.94
50001-100000	100	0.50	1473380	1.77
100001 & Above	122	0.61	72872554	87.38
Total	**20147**	**100**	**83393759**	**100**

- **Shareholding Pattern as on 31st March 2018:**

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	4	23100	0.03
b. Financial Institutions/Banks	8	93277	0.11
c. Insurance Companies	1	300	0
d. Foreign Institutional Investors	1	700	0
Sub Total	**14**	**117377**	**0.14**
2. Non Institutions			
a. Bodies Corporate	217	3198627	3.83
b. Resident Individuals	19632	16393820	19.66
c. Non-Resident Individual	168	393270	0.47
d. Clearing Member	105	409053	0.49
e. NBFC registered with RBI	3	4215	0.01
f. Foreign Bodies Corporate	1	12876861	15.44
g. IEPF Authority	1	682333	0.82
Sub Total	**20127**	**33958179**	**40.72**
Total Public Shareholding (B)	**20141**	**34075556**	**40.86**
GRAND TOTAL (A) + (B)	**20147**	**83393759**	**100**

- **Dematerialisation of Shares:**

  As on 31st March 2018, 98.58% 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, 2018, 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 :14th August, 2018

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, 2018 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 2017-18 which are fraudulent, illegal or violative of the listed entity's code of conduct.

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

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

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

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

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

Sd/-
ARVIND SINGHANIA
Chairman & CEO
DIN: 00934017

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

Place: New Delhi
Date: 16th May, 2018

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, 2018 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 knowledge 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 assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Akash Jain
Company Secretaries

Sd/-
Akash Jain
Proprietor
FCS-9617, CP No. 9432

Place : Gurgaon
Date : 14th August, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Ester Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Ester Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. 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.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standardsrequire that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are freefrom material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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 the 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.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 which were audited by the predecessor auditor S.R. Batliboi & Co LLP, whose reports dated June 2, 2017 and May 25, 2016 respectively expressed unmodified opinion on those financial statements and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 16, 2018 as per Annexure A expressed an unmodified opinion;

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note 37 to the financial statements, has disclosed the impact of pending litigations on its financial position;

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: New Delhi
Date: May 16, 2018

Annexure A to the Independent Auditor's Report of even date to the Members of Ester Industries Limited on the financial statements for the year ended March 31, 2018

ANNEXURE A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Ester-Industries Limited ("the Company") as at and for the year ended March 31, 2018 we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: New Delhi

Date: May 16, 2018

Annexure 1 to the Independent Auditor's Report of even date to the members of Ester Industries Limited, on the financial statetments for the year ended March 31, 2018

Annexure I

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

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) In our opinion, the management has conducted a physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	8.06	March 1990 to May 1991	Commissioner (Appeal), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.46	June 1988 to March 1992	Joint Commissioner, Meerut, UP
Central Excise Act, 1944	Excise Duty	164.2	April 1990 to February 1992	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	11.72	June 1987 to October 1988	Assistant Commissioner, Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	20.61	March 1991 to May 1991	Commissioner (Appeals), Cen tral Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.23	April 1992 to November 1993	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	1.59	August 1993 to March 1994	Commissioner (Appeal), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	12.95	April 1991 to November 1992	Joint Commissioner, Meerut, UP
Central Excise Act, 1944	Excise Duty	1.58	July 1987 to December 1988	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	4.32	April 1992 to July 1993	Assistant Commissioner, Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	34.44	January 2010 to January 2012	Commissioner (Appeals), Central Excise, Meerut, UP

Central Excise Act, 1944	Excise Duty	2.5	April 2009 to December 2009	Commissioner (Appeals), Central Excise, Rampur, UP
Finance Act, 1994	Service Tax	14.55	April 2015 to March 2016	Deputy Commissioner, Central Excise, Rampur, UP
Finance Act, 1994	Service Tax	123.05	April 2010 to March 2015	Commissioner (Appeals),Central Excise, Meerut, UP
The Customs Act, 1962	Custom Duty	2.58	January 1997 to March 1998	Additional Commissioner (Customs), Mumbai
The Customs Act, 1962	Custom Duty	4.48	January 1997 to March 1998	Additional Commissioner (Customs), Mumbai
The Customs Act, 1962	Custom Duty	7.59	January 1997 to March 1998	Additional Commissioner (Customs),Mumbai
The Customs Act, 1962	Custom Duty	43.05	April 1998 to March 1999	Commissioner of Customs, Mumbai
The Customs Act, 1962	Custom Duty	14.43	June 2016	Additional Commissioner (Customs), New Delhi
The Customs Act, 1962	Custom Duty	15.35	June 2016	Additional Commissioner of (Customs), New Delhi
Income Tax Act, 1961	Income Tax	18.00	Assessment year 1993-94 to Assessment year 1995-96	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	3.41	Assessment year 1997-98	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	11.16	Assessment year 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	5.78	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	14.09	Assessment year 2006-07 to Assessment year 2007-08 and Assessment year 2011-12	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	4.05	Assessment year 2006-07 to Assessment year 2013-14	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	33.68	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	45.74	Assessment year 2014-15	Commissioner of Income Tax (Appeals), New Delhi

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures and loan from government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: New Delhi
Date: May 16, 2018

BALANCE SHEET as at March 31, 2018

(Rs. in lacs)

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	6	39,659.59	41,396.23	41,095.37
Capital work-in-progress		127.43	173.77	2,347.74
Intangible assets	6	194.04	227.04	250.69
Financial assets				
Investments	7A	-	-	0.18
Loans	8A	728.19	594.53	622.75
Other financial assets	9A	94.63	86.48	24.83
Income tax assets (net)		-	57.21	64.14
Other non-current assets	10	22.16	61.56	89.47
Total non-current assets		**40,826.04**	**42,596.82**	**44,495.17**
Current assets				
Inventories	11	11,418.91	11,726.31	12,811.74
Financial assets				
Investments	7B	27.07	20.72	40.43
Trade receivables	12	14,818.60	11,609.62	11,162.84
Cash and cash equivalents	13	70.24	103.86	142.55
Bank balances other than above	14	642.37	566.81	665.99
Loans	8B	47.18	51.59	66.75
Other financial assets	9B	57.95	160.28	114.17
Other current assets	15	2,365.83	1,258.90	1,481.18
Total current assets		**29,448.15**	**25,498.09**	**26,485.65**
Total assets		**70,274.19**	**68,094.91**	**70,980.82**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16A	4,169.69	4,169.69	4,169.69
Other equity	17	24,155.96	23,520.70	24,600.37
Total equity		28,325.65	27,690.39	28,770.06
Liability				
Non-current liabilities				
Financial liabilities				
Borrowings	18A	2,752.92	6,675.36	9,564.92
Other financial liabilities	22A	191.42	168.87	213.23
Provisions	19A	893.99	841.18	785.51
Deferred tax liabilities (net)	20	1,763.96	1,666.65	2,195.84
Other non-current liabilities	23A	2,927.53	3,142.41	3,182.57
Total non-current liabilities		**8,529.82**	**12,494.47**	**15,942.07**
Current liabilities				
Financial liabilities				
Borrowings	18B	23,613.27	20,098.68	18,244.85
Trade payables	21	4,202.38	1,908.55	2,375.33
Other financial liabilities	22B	4,779.34	5,254.76	4,856.34
Other current liabilities	23B	645.77	568.99	708.30
Current tax liabilities (net)		110.10	-	-
Provisions	19B	67.86	79.07	83.87
Total current liabilities		**33,418.72**	**27,910.05**	**26,268.69**
Total equity and liabilities		**70,274.19**	**68,094.91**	**70,980.82**
Summary of significant accounting policies	1-5			

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

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

per **Ashish Gupta**
Partner
Membership no.504662

Place: New Delhi
Date: May 16, 2018

For and on behalf of the Board of Directors

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, 2018

(Rs. in lacs)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue			
Revenue from operations	24	82,449.00	76,945.40
Other income	25	567.05	633.88
Total revenue (I)		**83,016.05**	**77,579.28**
Expenses			
Cost of material consumed		52,674.23	45,575.96
Excise duty		1,774.84	6,674.02
Changes in inventories of finished goods and work-in-progress	26	1,251.80	1,104.94
Employee benefits expense	27	4,428.46	4,595.11
Finance costs	28	3,278.44	3,336.01
Depreciation and amortisation expense	6	3,102.37	3,175.51
Other expenses	29	15,757.08	14,710.37
Total expenses (II)		**82,267.22**	**79,171.92**
Profit/(loss) before tax (I-II)		**748.83**	**(1,592.64)**
Tax expense	30		
Current tax		177.58	-
Deferred tax expense/(credit)		41.85	(523.84)
Total tax expenses		**219.43**	**(523.84)**
Profit/(loss) after tax		**529.40**	**(1,068.80)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		43.37	(16.23)
Income tax effect		(14.34)	5.36
Total comprehensive income		**558.43**	**(1,079.67)**
Earnings per equity share			
Basic (Rs.)	31	0.63	(1.28)
Diluted (Rs.)	31	0.63	(1.28)

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

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

per **Ashish Gupta**
Partner
Membership no.504662

Place: New Delhi
Date: May 16, 2018

For and on behalf of the Board of Directors

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

STATEMENT OF CHANGES IN EQUITY as at March 31, 2018

Equity share capital* **(Rs. in lacs)**

Particulars	Opening balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity** **(Rs. in lacs)**

Particulars	Equity component of redeemable financial instrument	Reserves and surplus					Total
		Securities premium reserve	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	
Balance as at April 1, 2016	**-**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**13,095.09**	**24,600.37**
Loss for the year	-	-	-	-	-	(1,068.80)	(1,068.80)
Other comprehensive income							
Re-measurement gains (losses) on defined benefit plans (net of tax)	-		-	-	-	(10.87)	(10.87)
Balance as at March 31, 2017	**-**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**12,015.42**	**23,520.70**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**529.40**	**529.40**
Other comprehensive income							
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	-	29.03	29.03
Equity component of redeemable financial instrument (net of tax)	76.83	-	-	-	-	-	76.83
Balance as at March 31, 2018	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**12,573.85**	**24,155.96**

**Refer note 16 for details*

***Refer note 17 for details*

This is the Statement of Change in Equity referred to in our report of even date

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

For and on behalf of the Board of Directors

per **Ashish Gupta**
Partner
Membership no.504662

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

Place: New Delhi
Date: May 16, 2018

CASH FLOW STATEMENT for the year ended March 31, 2018

(Rs. in lacs)

		For the year ended March 31, 2018	For the year ended March 31, 2017
A	**Cash flow from operating activities**		
	Profit before tax	748.83	(1,592.64)
	Adjustments for:		
	Depreciation and amortisation expense	3,102.37	3,175.51
	Loss on sale of property, plant and equipments (net)	73.15	4.40
	Finance costs	3,278.44	3,336.01
	Interest income on financials assets measured at amortised cost	(117.04)	(106.07)
	Unrealised foreign exchange gain (net)	(37.64)	(107.08)
	Bad debts, advances and irrecoverable balances written off	39.79	59.99
	Profit on sale of investments (net)	-	(1.60)
	Mark to market gain on derivative contracts	119.79	(55.32)
	Provisions/liabilities no longer required written back	(21.08)	(96.57)
	Income recognised on account of government assistance	(283.08)	(244.25)
	Reversal of provision for doubtful debts	(46.73)	(18.97)
	Impairment in the value of investment	-	1.43
	Impairment of other advances	20.76	-
	Gain on fair valuation of financial assets	(1.35)	(1.00)
	Provision for obsolete inventory	101.92	3.92
	Operating profit before working capital changes and other adjustments:	**6,978.13**	**4,357.76**
	Working capital changes and other adjustments:		
	(Increase)/decrease in current and non-current loans	(128.53)	40.01
	(Increase)/decrease in other non-current and current assets	(1,061.87)	250.19
	Decrease in inventories	205.48	1,081.51
	Increase/(decrease) in other financial and non-financial liabilities	(191.93)	36.14
	Increase in provisions	84.97	50.87
	Increase in other non-current and current financial assets	(52.46)	89.22
	Increase in trade receivables	(3,013.82)	(487.80)
	Increase in trade payables	2,278.44	(466.78)
	Cash flow from operating activities post working capital changes	**5,098.41**	**4,951.12**
	Income tax paid (net of refunds)	(10.00)	6.94
	Net cash flow from operating activities (A)	**5,088.41**	**4,958.06**
B	**Cash flows from investing activities**		
	Purchase of property plant and equipments (including capital work-in-progress and intangible assets)	(1,595.35)	(1,391.04)
	Sale of property plant and equipments	96.22	76.50
	Bank deposits having maturity period more than 12 months	(850.78)	(557.12)
	Proceeds of deposits matured	742.86	579.29
	Interest received	110.62	123.96
	Sale of investment	-	31.60
	Purchase of investment	(5.00)	(10.72)
	Net cash used in investing activities (B)	**(1,501.43)**	**(1,147.53)**
C	**Cash flows from financing activities (refer note 18)**		
	Repayment of long-term borrowings (net)	(3,848.78)	(2,374.87)
	Proceeds from short-term borrowings (net)	3,514.59	1,873.11
	Finance cost paid	(3,286.41)	(3,347.46)
	Net cash used in financing activities (C)	**(3,620.60)**	**(3,849.22)**
D	Net decrease in cash and cash equivalents (A+B+C)	(33.62)	(38.69)
E	Cash and cash equivalents at the begining of the year (refer note no 13)	103.86	142.55
F	**Cash and cash equivalents at the end of the year (D+E)**	**70.24**	**103.86**
	Reconcilation of cash and cash equivalents as per cash flow statement		
	Cash in hand	3.18	5.99
	Balances with banks:		
	In current accounts	55.56	97.87
	Bank deposits with original maturity upto 3 months	11.50	-
	Total of cash and cash equivalents	**70.24**	**103.86**

This is the Cash Flow Statement referred to in our report report of even date

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

per **Ashish Gupta**
Partner
Membership no.504662

For and on behalf of the Board of Directors

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

Place: New Delhi
Date: May 16, 2018

NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

1. Nature of operations

Ester Industries Limited ('the Company') is a manufacturer of polyester film and engineering plastics.The Company is domiciled in India and its registered office is situated at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima – 262308, District – Udhamsingh Nagar, Uttarakhand.

2. General information and compliance with Ind AS

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

The financial statements for the year ended March 31, 2018 are the first financial statements which the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. For the purpose of comparatives, financial statements for the year ended March 31, 2017 and opening balance sheet as at April 1, 2016 are also prepared and presented as per Ind AS. Note 41 describe the disclosures required under Ind AS 101.

The financial statements for the year ended March 31, 2018 along with the comparative financial information were authorised and approved for issue by the Board of Directors on May 16, 2018.

3. Basis of preparation

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

Items	**Measurement basis**
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

4. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs ('MCA') issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

MCA has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

1. Identification of the contracts with the customer
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
5. Recognition of revenue when performance obligation is satisfied.

The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain exemptions upon transition to Ind AS, as summarised in note 41B to note 41C.

5.1 Current versus non-current classification

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

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

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

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

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

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life otherwise, such items are classified as inventories

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful life estimated by the management. The identified components are depreciated separately over their respective useful life; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Asset class	**Useful life**
Factory buildings*	5 to 61.35 years
Administrative Buildings	5 to 61.35 years
Plant and machinery*	2 to 68 years
Furniture and fixtures*	15.79 years
A.C. and Refrigeration	10 years
Office equipment*	10 years
Computers*	6.16 years
Vehicles	8 years
Batteries under UPS project (Plant and Machinery) *	5 years
Leasehold improvements	Over the period of lease

Depreciation on the amount of additions made to fixed assets due to up gradations / improvements is provided over the remaining useful life of the asset to which it relates.Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

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

*For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

5.3 Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortisation)

Softwares are amortised on a straight-line basis over its useful life, which is considered to be of a period of three years.

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

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

5.4 Inventories

Inventories are valued as follows:

Raw materials, components and stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

5.5 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes, Value Added Taxes ('VAT') and Goods and Service Tax ('GST') on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Export benefits

Export benefits constituting duty draw back, merchandise export from India scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received. Export benefits under duty draw back and merchandise export from India scheme are considered as other operating income.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to statement of profit and loss based on the conditions for which the grant was obtained and presented within other income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividends

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

Insurance claims income

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

5.6 Borrowing costs

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

5.7 Leases

Company as a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

5.8 Impairment of non-financial assets

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised 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 recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

5.9 Foreign currency transactions

Functional and presentation currency

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

Initial recognition

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

Conversion

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

Exchange difference

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

5.10 Financial instruments

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost– A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Investments in equity instruments of subsidiary– Investments in equity instruments of subsidiary are accounted for at cost in accordance with the option given under Ind AS 27 Separate Financial Statements.

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Forward contracts

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

Offsetting of financial instruments

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

5.11 Impairment of financial assets

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

Trade receivables

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

Other financial assets

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

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

5.12 Income taxes

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

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

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

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

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

5.13 Cash and cash equivalents

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

5.14 Employee benefits

Provident fund

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

Gratuity

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

Compensated absences

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

Superannuation fund

Contribution made towards superannuation fund (funded by payments to Life Insurance Corporation of India) is charged to statement of profit and loss on accrual basis.

Short-term employee benefits

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

5.15 Provisions

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

5.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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

5.17 Earnings per share

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

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

5.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Chief Executive Officers who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

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

Inter segment transfers

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

Unallocated items

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

5.19 Significant management judgement and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets– The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

6. Property, plant and equipment and intangible assets

(Rs. in lacs)

Particulars	Property, plant and equipment							Intangible assets		
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and machinery	Total	Patent	Software	Total
At deemed cost										
As at April 1, 2016 (refer note i)	1,653.36	5,612.75	487.03	312.17	348.24	32,681.82	**41,095.37**	220.98	29.71	**250.69**
Additions	-	321.42	96.93	26.80	31.62	3,005.16	**3,481.93**	-	51.69	**51.69**
Disposal/adjustments	-	-	(117.75)	(15.88)	(1.52)	(97.50)	**(232.65)**	(4.50)	-	**(4.50)**
As at March 31, 2017	**1,653.36**	**5,934.17**	**466.21**	**323.09**	**378.34**	**35,589.48**	**44,344.65**	**216.48**	**81.40**	**297.88**
Additions		40.75	87.87	18.40	4.53	1356.17	**1507.72**	0.63	32.19	**32.82**
Disposal/adjustments		(103.27)	(110.76)	(28.77)	(3.53)	(615.24)	**(861.57)**	-	(0.81)	**(0.81)**
As at March 31, 2018	**1,653.36**	**5,871.65**	**443.32**	**312.72**	**379.34**	**36,330.41**	**44,990.80**	**217.11**	**112.78**	**329.89**
Accumulated depreciation and impairment										
At April 1, 2016 (refer note i)	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	201.60	100.91	80.69	32.63	2,688.84	**3,104.67**	45.88	24.96	**70.84**
Disposal/adjustments	-	(0.51)	(53.93)	(13.38)	(1.03)	(87.40)	**(156.25)**	-	-	-
As at March 31, 2017	**-**	**201.09**	**46.98**	**67.31**	**31.60**	**2,601.44**	**2,948.42**	**45.88**	**24.96**	**70.84**
Charge for the year	-	204.86	91.18	60.21	32.35	2,647.99	**3,036.59**	45.92	19.86	**65.78**
Disposal/adjustments	-	(8.54)	(80.95)	(21.01)	(2.37)	(540.93)	**(653.80)**	-	(0.77)	**(0.77)**
As at March 31, 2018	**-**	**397.41**	**57.21**	**106.51**	**61.58**	**4,708.50**	**5,331.21**	**91.80**	**44.05**	**135.85**
Net block										
As at April 1, 2016	**1,653.36**	**5,612.75**	**487.03**	**312.17**	**348.24**	**32,681.82**	**41,095.37**	**220.98**	**29.71**	**250.69**
As at March 31, 2017	**1,653.36**	**5,733.08**	**419.23**	**255.78**	**346.74**	**32,988.04**	**41,396.23**	**170.60**	**56.44**	**227.04**
As at March 31, 2018	**1,653.36**	**5,474.24**	**386.11**	**206.21**	**317.76**	**31,621.91**	**39,659.59**	**125.31**	**68.73**	**194.04**

Footnotes:

(i) Deemed cost of property, plant and equipment and intangible assets

(Rs. in lacs)

Particulars	Property, plant and equipment							Intangible assets		
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and machinery	Total	Patent	Software	Total
Gross block										
At April 1, 2016	1,653.36	7,564.72	890.66	771.08	482.24	66,061.42	**77,423.48**	240.01	461.03	**701.04**
Accumulated depreciation										
At April 1, 2016	-	1,951.97	403.63	458.91	134.00	33,379.60	**36,328.11**	19.03	431.32	**450.35**
Net block as at 1 April 2016	**1,653.36**	**5,612.75**	**487.03**	**312.17**	**348.24**	**32,681.82**	**41,095.37**	**220.98**	**29.71**	**250.69**

(ii) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount at the date of transition to Ind AS.

(iii) Refer note 37B for disclosure of contractual commitments for the acquisition of property,plant and equipment.

(iv) Refer note 18 for information on property, plant and equipment pledged as security by the Company.

(v) Borrowing cost capitalised during the year Nil (March 31, 2017: Rs. 67.67 lacs; April 1, 2016: Rs. 148.26 lacs) as part of plant and machinery.

7. Investments **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Non-current			
I. Investments in equity instrument			
A. Quoted			
Pearl Polymers Limited			
[100 (March 31, 2017: 100; April 1, 2016: 100) equity shares of Rs. 10 each]	-	-	0.04
Jaykay Enterprises Limited			
[50 (March 31, 2017: 50; April 1, 2016: 50) equity shares of Rs. 10 each]	-	-	0.03
Modipon Limited			
[100 (March 31, 2017: 100; April 1, 2016: 100) equity shares of Rs. 10 each]	-	-	0.11
Investments in equity instruments - quoted	**-**	**-**	**0.18**
II. Investments in equity shares (subsidiary company)			
A. Unquoted			
Ester International [USA] Limited			
[Nil (March 31, 2017: Nil; April 1, 2016: 25,000) equity shares of Rs. 1 each]*	-	-	9.69
Less: Impairment in the value of investments	-	-	9.69
Investments in equity shares (subsidiary company)	**-**	**-**	**-**
Grand total (I+II)	-	-	**0.18**

Particulars	Principal place of business	Ownership interest	Accounted on#
Ester International (USA) Limited (EIUL)*	USA	Wholly owned	Measured at cost as per the provisions of Ind AS 27 'Separate Financial Statements

*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 18.63 Lacs which was charged off to the statement of profit and loss in year ended 31 March 2017.
The Company has made 100% impairment on the said investment.

Aggregate amount of quoted investments (this represents market value as well)	-	-	0.18
Aggregate amount of impairment in value of investments	-	-	-
B) Current			
Investments in mutual funds - quoted			
SBI-Corporate Bond Fund - Regular plan-Growth [Nil (March 31, 2017: Nil; April 1, 2016: 45,775.39) units of of Rs. 10 each]	-	-	10.91
BOI AXA-Capital Protection Oriented Fund [99,990 (March 31, 2017: 99,990; April 1, 2016: 99,990) units of Rs. 10 each]	10.91	10.34	9.43
Canara Robeco MF series 7 [100,000 (March 31, 2017: 100,000; April 1, 2016: Nil) units of Rs. 10 each fully]	10.94	10.38	-
BOI AXA- Liquid Fund - Direct Plan-Growth [Nil (March 31, 2017: Nil; April 1, 2016: 1,150.91) units]	-	-	20.09
Canara Robeco MF series 8 [50,000 (March 31, 2017: Nil; April 1, 2016: Nil) units of Rs. 10 each fully]	5.22	-	-
Total current investment	**27.07**	**20.72**	**40.43**
Aggregate amount of quoted investments (this represents market value as well)	27.07	20.72	40.43

8. Loans (Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Non-current			
(Unsecured considered good)			
Security deposits*	728.19	594.53	553.33
Loans and advances to related parties (refer note 36)	-	-	67.89
Amount due on redeemable financial asset	-	-	1.53
Total non-current loans (A)	**728.19**	**594.53**	**622.75**
B) Current			
(Unsecured considered good)			
Loans to employees	45.40	51.59	66.75
Security deposits	1.78	-	-
Total current loans (B)	**47.18**	**51.59**	**66.75**
Total loans (A+B)	**775.37**	**646.12**	**689.50**

* Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.75% per annum (March 31, 2017: 7.75% per annum; April 1, 2016: 8.50% per annum)

9. Other financial assets (Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Non-current			
(Unsecured considered good)			
Bank deposits with maturity of more than 12 months (refer note 14)	89.17	77.54	15.05
Earnest money deposit	5.46	8.94	9.78
Total non-current other financial assets (A)	**94.63**	**86.48**	**24.83**
B) Current			
(Unsecured considered good)			
Insurance claim/survey fee recoverable	16.97	6.24	12.08
Income accrued and due	37.57	36.86	40.23
Derivative asset	-	117.18	61.86
Earnest money deposit	3.41	-	-
Total current other financial assets (B)	**57.95**	**160.28**	**114.17**
Total other financial assets(A+B)	**152.58**	**246.76**	**139.00**

10. Other non-current assets (Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	20.17	61.56	89.47
Prepaid expenses	1.99	-	-
Total other non-current assets	**22.16**	**61.56**	**89.47**

11. Inventories (Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials {including stock in transit Rs. 1,505.88 lacs (March 31, 2017: Rs. 1,093.56 lacs; April 1, 2016: Rs. 1,092.63 lacs)}	5,482.18	4,922.21	4,986.59
Work-in-progress	953.44	925.60	1,017.65
Finished goods {including stock in transit Rs. 1,291.15 lacs (March 31, 2017: Rs. 1,187.15 lacs; April 1, 2016: Rs. 1,283.05 lacs)}	3,498.73	4,778.37	5,791.26
Stores and spares {including stock in transit Rs. 44.02 lacs (March 31, 2017: Rs. 25.72 lacs; April 1, 2016: Rs. 12.43 lacs)}	1,484.56	1,100.13	1,016.24
Total inventories	**11,418.91**	**11,726.31**	**12,811.74**

(i) The Company has created provision for obsolete inventories amounting to Rs. 101.92 lacs (31 March 2017: Rs. 3.92 lacs)
(ii) The cost of inventories recognised as expense during the year is Rs. 53,926.03 lacs (31 March 2017: Rs. 46,680.90 lacs)

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Un-secured			
Considered good	14,818.60	11,609.62	11,162.84
Considered doubtful	180.38	227.11	245.57
	14,998.98	11,836.73	11,408.41
Less: Impairment of trade receivable (expected credit loss allowance)*	(180.38)	(227.11)	(245.57)
Total trade receivables	**14,818.60**	**11,609.62**	**11,162.84**

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

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash in hand	3.18	5.99	15.54
Balances with banks			
In current accounts	55.56	97.87	127.01
Bank deposits with original maturity upto 3 months	11.50	-	-
Total cash and cash equivalents	**70.24**	**103.86**	**142.55**

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked bank balances			
Unpaid dividend accounts *	27.49	58.12	64.31
Bank deposits			
Deposits with remaining maturity for less than 12 months	614.88	508.69	601.68
Deposits with remaining maturity for more than 12 months	89.17	77.54	15.05
**Total ** **	**731.54**	**644.35**	**681.04**
Less:- Amount disclosed under non-current assets (refer note 9.)	(89.17)	(77.54)	(15.05)
Total other bank balances	**642.37**	**566.81**	**665.99**

* The Company can utilise these balances only toward settlement of the respective unpaid dividend.
** Margin money deposit (including interest accured) of Rs. 715.55 lacs (March 31, 2017: Rs. 586.23 lacs; April 1, 2016: Rs. 616.73 lacs) are subject to lien of lending banks for securing letter of credit and bank guarantee facilities sanctioned by them.

15. Other current assets **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good			
Receivables under export benefit scheme	428.54	336.53	396.38
Advance to vendors	578.37	474.62	379.35
Prepaid expenses	266.31	232.50	292.71
Balances with government authorities	1,083.30	206.63	297.16
Asset held for disposal	3.84	-	29.34
Other advances	5.47	8.62	86.24
	2,365.83	**1,258.90**	**1,481.18**
Considered doubtful			
Receivables under export benefit scheme	16.24	4.34	4.34
Other advances	41.87	31.91	31.91
Less: Impairment of export benefit receivable	(16.24)	(4.34)	(4.34)
Less: Impairment of other advances	(41.87)	(31.91)	(31.91)
	-	-	-
Total other current assets	**2,365.83**	**1,258.90**	**1,481.18**

16 A. Equity share capital **(Rs. in lacs)**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
i) Authorised	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares of Rs. 5 each	150,000,000	7,500.00	150,000,000	7,500.00	150,000,000	7,500.00
Equity shares of Rs. 10 each	47,960,000	4,796.00	47,960,000	4,796.00	47,960,000	4,796.00
		12,296.00		**12,296.00**		**12,296.00**
ii) Issued, subscribed and fully paid up						
Equity shares of Rs. 5 each	83,393,759	4,169.69	83,393,759	4,169.69	83,393,759	4,169.69
		4,169.69		**4,169.69**		**4,169.69**

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

Equity shares	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Balance at the beginning of the year	83,393,759	4,169.69	83,393,759	4,169.69	62,643,759	3,132.19
Add: Equity shares allotted on conversion of warrants -	-	-	-	-	20,750,000	1,037.50
Balance at the end of the year	**83,393,759**	**4,169.69**	**83,393,759**	**4,169.69**	**83,393,759**	**4,169.69**

iv) Rights, preferences and restrictions attached to equity share

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

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

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

(Rs. in lacs)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Name of the equity shareholder	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Wilemina Finance Corporation, Holding Company Equity shares of Rs. 5 each fully paid	44,915,012	2,245.75	44,915,012	2,245.75	44,915,012	2,245.75
	44,915,012	**2,245.75**	**44,915,012**	**2,245.75**	**44,915,012**	**2,245.75**

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

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	**%**	**Number**	**%**	**Number**	**%**
Wilemina Finance Corporation, Holding Company Equity shares of Rs. 5 each fully paid	44,915,012	53.86%	44,915,012	53.86%	44,915,012	53.86%
Vettel International Limited, Public Shareholder* Equity shares of Rs. 5 each fully paid	12,876,861	15.44%	15,285,091	18.33%	20,750,000	24.88%

*Vettel International Limited (VIL) and Globe Capital Market Limited (GCML) had intimated to the Company that out of the above-stated shareholding of VIL as on March 31, 2017, 23,35,091 equity shares were held by GCML, as the custodian of VIL and VIL was the legal and beneficial owner of such equity shares 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.

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

(Rs. in lacs)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
During financial year 2013-14, the Company has alloted 99,72,703 equity shares of Rs 498.64 lacs pursuant to a scheme of arrangement entered between Sriyam Impex Private Limited and the Company.	9,972,703	498.64	9,972,703	498.64	9,972,703	498.64
	9,972,703	**498.64**	**9,972,703**	**498.64**	**9,972,703**	**498.64**

viii) No equity shares have been issued as bonus shares during the period of five years immediately preceding the reporting date.

16 B. Preference shares **(Rs. in lacs)**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
i) Authorised	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Cumulative convertible preference shares of Rs. 50 each	600,000	300.00	600,000	300.00	600,000	300.00
Redeemable cumulative preference shares of Rs. 50 each	8,000,000	4,000.00	8,000,000	4,000.00	8,000,000	4,000.00
		4,300.00		**4,300.00**		**4,300.00**

17. Other equity

(Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves and surplus			
Capital reserve	3,520.74	3,520.74	3,520.74
Securities premium reserve	6,121.01	6,121.01	6,121.01
Capital redemption reserve	335.37	335.37	335.37
General reserve	1,528.16	1,528.16	1,528.16
Retained earnings	12,573.85	12,015.42	13,095.09
Equity component of redeemable financial instrument	76.83	-	-
Total	**24,155.96**	**23,520.70**	**24,600.37**

i) Nature and purpose of other reserves

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will utilised in accordance with provisions of the Companies Act 2013.

Capital redemption reserve

The same has been created in accordance with provision of Companies Act 2013 against the buy back of equity shares from the market.

General reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

18 (A) Borrowings

(Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured loans*			
Term loans from:			
Banks	4,744.84	7,946.75	10,422.06
Financial institution	1,788.28	2,129.36	1,700.00
Vehicle loans	189.41	191.09	238.85
Buyers' credit for capital goods	-	676.57	979.83
Unsecured loans			
Redeemable financial instrument (foreign currency loan) from related party	392.87	-	-
	7,115.40	**10,943.77**	**13,340.74**
Less: Current maturities of non-current borrowings* (refer note 22)	4,362.48	4,268.41	3,775.82
Non-current borrowings	**2,752.92**	**6,675.36**	**9,564.92**

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

I. Term loans

a) **From Bank of India** of Rs. 575.04 lacs (March 31, 2017: Rs. 475.24 lacs, April 01, 2016: Rs 378.00 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant 1 and UPS. The term loan bears floating interest at the MCLR plus 3.60% per annum. The term loan is repayable in 20 equal quarterly installments starting from June 2014.#

b) **From Bank of India** of Rs. 696.28 lacs (March 31, 2017: Rs. 1,091.24 lacs, April 01, 2016: Rs 1,584.07 lacs) as Corporate loan for augmentation of Working Capital Corporate Loan bears floating interest at the rate MCLR plus 3.60% per annum. The Corporate loan is repayable in 20 equal quarterly installments starting from March 2015.#

c) **From Bank of Baroda** of Rs. 348.52 lacs (March 31, 2017: Rs.546.52 lacs, April 01, 2016: Rs 743.67 lacs) as Corporate loan for augmentation of Working Capital Corporate Loan bears floating interest at the MCLR plus 4.65% per annum. The Corporate loan is repayable in 20 equal quarterly installments starting from April 2015.#

d) **From Union Bank of India** of Rs. 46.70 lacs (March 31, 2017: Rs.233.05 lacs, April 01, 2016: Rs 418.67 lacs) for metalizer project. The term loan bears floating interest at the MCLR plus 3.75% per annum. The term loan is repayable in 20 equal quarterly installments starting from September 2013.#

e) **From Union Bank of India** of Rs. 274.79 lacs (March 31, 2017: Rs. 494.79 lacs, April 01, 2016: Rs 714.79 lacs) for bio mass (Husk) fuelled thermic fluid heater bears floating interest at the MCLR plus 3.75% per annum. The term loan is repayable in 20 equal quarterly installments starting from September 2014.#

f) **From State Bank of India** of Rs.695.48 lacs (March 31, 2017: Rs. 893.60 lacs, April 01, 2016: Nil) for augmentation of working capital. The term loan bears floating interest at the MCLR plus 4.35% per annum. The term loan is repayable in 20 equal quarterly installments starting from December 2016.#

g) **From consortium member banks namely Bank of India, Bank of Baroda, Union Bank of India, Canara Bank and State Bank of India** of Rs. 2,108.03 lacs (March 31, 2017: Rs.4,243.40 lacs, April 01, 2016: Rs 6,376.57 lacs) for expansion of Film Plant capacity. The term loans

bear floating interest rate ranging from MCLR plus 3.60% per annum to 4.50% per annum. These term loans are repayable in 28 equal quarterly installments starting from April 2012.#

Above term loans are secured by first pari passu charge on fixed assets of the Company (both present & future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania.

h) **From State Bank of India** of Nil (March 31, 2017: Nil, April 01, 2016: Rs 250.26 lacs) for Oil fired heater, Reclaim Co-extruder and In-Line Coater 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 its holding company. The term loan bears floating interest at the base rate plus 2.75% per annum.

i) **From Tata Capital Financial Services Limited** of Rs.1,788.28 lacs (March 31, 2017: Rs. 2,098.27 lacs, April 01, 2016: Rs 1,656.03 lacs) has been sanctioned for repayment of outstanding dues of Karnataka Bank and augmentation of Working Capital. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and Corporate Office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and machinaries 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% per annum. Out of Rs. 1,788.28 lacs, Rs. 36.89 lacs is repayable in 29 months starting from April 2016 with terminal date of repayment being August 2020, and balance Rs. 1,751.39 lacs is repayable in 36 months starting from October 2016 with terminal date of repayment being March 2021.

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% per annum to 13.25% per annum. These loans are repayable in monthly installments till March 2023.

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

a) Buyers' credit amounting to Rs. Nil (March 31, 2017: Rs.676.57 lacs : April 01, 2016: Rs 979.83 lacs) are against LOUs / LOCs issued by Bank of India (BOI). 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 its holding company. Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. Nil (previous year - Rs. 676.57 Lacs). These LOU / LOC facilities are sanctioned to the Company as a sub limit to the term loans.

IV. **Redeemable financial instrument**

During the year, the Company has obtained interest free unsecured foreign currency loan of Rs. 504 lacs from its Holding Company. This foreign currency loan is repayable in not more than five unequal installments between April 2023 to June 2023.

18 (B) Current* **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Working capital loans from banks	10,355.50	9,043.87	8,367.66
Bills discounting	4,480.86	4,171.37	3,945.94
Buyers' credit for raw material	2,556.95	2,487.46	2,385.41
Acceptances	6,219.96	4,395.98	3,545.84
Total borrowings - current	**23,613.27**	**20,098.68**	**18,244.85**

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

Working capital loans, bills discounting and acceptances: These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its holding Company and personal guarantee of Mr. Arvind Singhania. Working capital and bill discounting facilities are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to Tata Capital Financial Services Limited. The working capital loans from banks bear floating interest rate at MCLR plus ranging from 1.15% per annum to 4.05% per annum. The bill discounting from banks bear floating interest rate ranging from 7.85% per annum to 10.40% per annum.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its holding Company and personal guarantee of Mr. Arvind Singhania. Buyers' credit for raw material taken in USD, Euro and JPY bears interest rate ranging from 0.23% per annum to 3.56% per annum.

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

(Rs. in lacs)

Particulars	Borrowings		Total
	Non-current*	Current	
April 1, 2017 #	10,943.77	20,098.68	31,042.45
Cash flows:			
- Repayments	(3,848.78)	-	(3,848.78)
- Proceeds	-	3,514.59	3,514.59
- Finance cost	1,078.71	2,199.73	3,278.44
- Finance cost paid	(1,091.34)	(2,195.07)	(3,286.41)
- Others	33.04	(4.66)	28.38
March 31, 2018	**7,115.40**	**23,613.27**	**30,728.67**

* This includes current maturities of non-current borrowings.

The disclosure is applicable beginning April 01, 2017 and hence, it is not required to provide comparitive information for previous periods.

19. Provisions **(Rs. in lacs)**

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A)	**Provisions - non-current**			
	Provision for gratuity (refer note 39)	699.54	672.31	622.41
	Provision for compensated absence	194.45	168.87	163.10
	Total Provisions - non-current	**893.99**	**841.18**	**785.51**
B)	**Provisions - current**			
	Provision for gratuity (refer note 39)	49.14	54.42	58.12
	Provision for compensated absence	18.72	24.65	25.75
	Provisions - current	**67.86**	**79.07**	**83.87**
	Total provisions (A+B)	**961.85**	**920.25**	**869.38**

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities	4,973.02	4,746.89	4,457.65
Less: Deferred tax assets	2,459.94	2,508.70	1,690.27
Less: Minimum alternate tax credit entitlement	749.13	571.54	571.54
Deferred tax liabilities (net)	**1,763.95**	**1,666.65**	**2,195.84**

Movement in deferred tax liabilities (net)

Particulars	As at April 1, 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at March 31, 2017
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,434.10	292.92	-	-	4,727.02
Others	23.55	(3.68)	-	-	19.87
Total	**4,457.65**	**289.24**	**-**	**-**	**4,746.89**
Deferred tax assets arising on account of :					
Unabsorbed depreciation	1,283.29	820.32	-	-	2,103.61
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	362.40	11.51	-	-	373.91
Employee benefits	-	(5.36)	5.36	-	-
Allowance for expected credit loss	19.06	(13.19)	-	-	5.87
Others	25.52	(0.21)	-	-	25.31
Total	**1,690.27**	**813.07**	**5.36**	**-**	**2,508.70**
Minimum alternate tax credit entitlement	571.54	-	-	-	571.54
Deferred tax liabilities (net)	**2,195.84**	**(523.84)**	**(5.36)**	**-**	**1,666.65**

Particulars	As at April 1, 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at March 31, 2018
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,727.02	187.40	-	-	4,914.42
Redeemable financial instrument	-	(4.33)	-	41.12	36.79
Allowance for expected credit loss	-	8.13	-	-	8.13
Others	19.87	(6.19)		-	13.68
Total	**4,746.89**	**185.01**	**-**	**41.12**	**4,973.02**
Deferred tax assets arising on account of : Unabsorbed depreciation	2,103.61	(116.98)	-	-	1,986.63
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	373.91	81.24	-	-	455.15
Employee benefits	-	14.34	(14.34)	-	-
Allowance for expected credit loss	5.87	(5.87)	-	-	-
Others	25.31	(7.15)	-	-	18.16
Total	**2,508.70**	**(34.42)**	**(14.34)**	**-**	**2,459.94**
Minimum alternate tax credit entitlement	571.54	177.58	-	-	749.12
Deferred tax liabilities (net)	**1,666.65**	**41.85**	**14.34**	**41.12**	**1,763.96**

21. Trade payable **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
Due to micro and small enterprises*	37.40	46.79	51.85
Due to others	4,164.98	1,861.76	2,323.48
Total trade payables	**4,202.38**	**1,908.55**	**2,375.33**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at April 1, 2016:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;			
Princpal amount	37.40	46.79	51.85
Interest due thereon	-	-	-
ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;s			
Princpal amount	895.05	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 this Act;	-	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

22. Other financial liabilities **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Non-current			
Capital creditors	191.42	168.87	213.23
Total non current other financial liabilities (A)	**191.42**	**168.87**	**213.23**
B) Current			
Current maturities of non-current borrowings (refer note 18)	4,362.48	4,268.41	3,775.82
Interest accrued	16.33	24.30	35.75
Capital creditors	52.70	256.23	271.16
Unpaid dividend	27.49	58.12	64.31
Deposits from dealer/customer and others	42.37	34.89	18.63
Derivative liability	2.61	-	-
Others payables	275.36	612.81	690.67
Total current other financial liabilities (B)	**4,779.34**	**5,254.76**	**4,856.34**
Total other financial liabilities (A+B)	**4,970.76**	**5,423.63**	**5,069.57**

23. Other liabilities **(Rs. in lacs)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A) Non-current			
Deferred income*	2,927.53	3,142.41	3,182.57
Total non current liabilities (A)	**2,927.53**	**3,142.41**	**3,182.57**
B) Current			
Deferred income*	253.33	283.08	244.24
Advances from customers	249.87	197.08	316.91
Statutory dues	142.57	88.83	147.15
Total current liabilities (B)	**645.77**	**568.99**	**708.30**
Total other liabilities (A+B)	**3,573.30**	**3,711.40**	**3,890.87**

* Represents government assistance in form of duty benefit availed under Export Promotion Capital Goods ('EPCG') scheme on purchase of property, plant and equipment accounted for as government grants and being amortised over useful life of such assets.

24. Revenue from operations **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	81,645.66	76,313.64
Other operating revenue (refer note (i) below)	803.34	631.76
Total revenue from operations	**82,449.00**	**76,945.40**
i) Other operating revenue comprises of the following income:		
Sales of scrap	121.77	78.39
Export incentive from merchandise exports from India scheme	338.49	252.62
Duty drawback earned	343.08	300.75
	803.34	**631.76**

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

25. Other income **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on:		
- Fixed deposits {tax deducted at source Rs. 4.79 lacs (March 31, 2017: Rs. 4.5 lacs)}	47.10	43.42
- Others {tax deducted at source Rs. 3.92 lacs (March 31, 2017: Rs. 4.43 lacs)}	69.94	62.65
Insurance claim	55.45	26.35
Profit on sale of investments	-	0.61
Dividend income	0.01	0.01
Provisions/liabilities no longer required written back	21.08	96.57
Reversal of impairment of trade receivables (expected credit loss)	46.73	18.97
Foreign exchange fluctuation gain (net)	32.45	123.65
Income recognised on account of government assistance*	283.08	244.25
Gain on fair valuation of financial assets	1.35	1.00
Miscellaneous income	9.86	16.40
Total other income	**567.05**	**633.88**

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

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Closing stock		
- Finished goods	3,498.73	4,778.37
- Work-in-progress	953.44	925.60
	4,452.17	**5,703.97**
Opening stock		
- Finished goods	4,778.37	5,791.26
- Work-in-progress	925.60	1,017.65
	5,703.97	**6,808.91**
Total changes in inventories	**1,251.80**	**1,104.94**

27. Employee benefit expenses **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	3,811.62	3,960.26
Contribution to provident fund and other funds	284.52	287.85
Gratuity (refer note 39)	111.54	115.52
Staff welfare expenses	220.78	231.48
Total employee benefit expenses	**4,428.46**	**4,595.11**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on term loans	1,052.64	1,457.65
Interest on working capital	1,679.35	1,462.53
Interest on buyers' credit facilities	50.66	35.90
Interest on capital creditors	26.07	22.13
Other borrowing costs	469.72	357.80
Total finance cost	**3,278.44**	**3,336.01**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing expenses		
Consumption of stores and spare parts	1,674.61	1,172.82
Consumption of packing material	1,565.03	1,643.44
Power and fuel	6,351.04	5,617.07
Material handling charges	442.93	434.43
Provision for obsolete inventories	101.92	3.92
(Decrease) in excise duty on closing stock	(519.86)	(43.38)
Total manufacturing expenses (A)	**9,615.67**	**8,828.30**
Selling expenses		
Freight	3,182.53	2,646.32
Commission and brokerage	258.72	302.56
Others	0.22	0.11
Total selling expenses (B)	**3,441.47**	**2,948.99**
Administration and other expenses		
Rent	49.04	54.78
Rates and taxes	24.16	189.83
Insurance	237.20	214.96
Repairs and maintenance:		
- Building	99.69	51.39
- Plant and machinery	268.91	237.46
- Others	231.81	262.34
Corporate social responsibility expenditure (refer note (i) below)	2.80	23.06
Travelling and conveyance	492.45	615.86
Communication expenses	89.36	92.98
Legal and professional charges	480.26	516.44
Printing and stationery	21.38	20.73
Donations (other than political parties)	-	0.61
Directors sitting fees	4.01	4.25
Auditors' remuneration (refer note (ii) below)	24.31	36.42
Loss on sale of property, plant and equipment (net)	73.15	4.40
Bad debts, advances and irrecoverable balances written off	39.79	59.99
Impairment of other advances	20.76	-
Impairment in the value of investment	-	1.43
Miscellaneous expenses	540.86	546.15
Total administrative and other expenses (C)	**2,699.94**	**2,933.08**
Total other expenses (A+B+C)	**15,757.08**	**14,710.37**

i) Corporate social responsibility expenses

Gross amount required to be spent by the Company during the year is Rs. Nil (31 March 2017: Rs. 17.29 lacs).

Amount spent during the year on corporate social responsibility: Rs. 2.80 lacs (31 March 2017: Rs. 23.06 lacs).

(Rs. in lacs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2018	-	-	**-**
	31 March 2017	-	-	**-**
On purposes other than above	31 March 2018	2.80	-	**2.80**
	31 March 2017	23.06	-	**23.06**

ii) Auditors' remuneration

- Statutory audit fee (including taxes)	14.00	19.19
- Limited review fee	9.00	15.16
- Out of pocket expenses	1.31	2.07
	24.31	**36.42**

30. Tax expenses **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	177.58	-
Deferred tax expense/(credit)	41.85	(523.84)
Income tax expense recognised in the statement of profit and loss	**219.43**	**(523.84)**
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 33.06% and the reported tax expense in the statement of profit and loss are as follows:		
Accounting profit before income tax	**748.83**	**(1,592.64)**
At India's statutory income tax rate of 33.06% (March 31, 2017: 33.06%)	247.56	(526.53)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	(28.12)	1.71
Others	(0.01)	0.98
Income tax expense	**219.43**	**(523.84)**

31. Earning per share (EPS) **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(loss) attributable to equity shareholders	529.40	(1,068.80)
Profit/(loss) attributable to equity shareholders adjusted for the effect of dilution	529.40	(1,068.80)
Weighted average number of equity shares for basic EPS	83,393,759	83,393,759
Weighted average number of equity shares adjusted for the effect of dilution	83,393,759	83,393,759
Earnings per equity share		
Basic (Rs.)	0.63	(1.28)
Diluted (Rs.)	0.63	(1.28)

32. Fair value disclosures

(i) Fair value hierarchy

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

(ii) Valuation technique used to determine fair value

A. Specific valuation techniques used to value mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

B. Derviative asset/liability is measured using forward contract exchange rates at the balance sheet rate as confirmed from banks/financial institutions.

(iii) Financial assets measured at fair value – recurring fair value measurements **(Rs. in lacs)**

Particulars	Level	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets				
Investments in mutual funds	Level 1	27.07	20.72	40.43
Investments in equity shares - quoted	Level 1	-	-	0.18
Derivative asset	Level 2	-	117.18	61.86
Total financial assets		**27.07**	**137.90**	**102.47**
Financial liabilities				
Derivative liability	Level 2	2.61	-	-
Total financial liabilities		**2.61**	**-**	**-**

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

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

Particulars		March 31, 2018		March 31, 2017		April 1, 2016	
	Level	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Loans (excluding security deposits)	Level 3	-	-	-	-	69.42	69.42
Security deposits	Level 3	728.19	728.19	594.53	594.53	553.33	553.33
Total financial assets		**728.19**	**728.19**	**594.53**	**594.53**	**622.75**	**622.75**
Borrowings	Level 3	7,115.40	7,115.40	10,943.77	10,943.77	13,340.74	13,340.74
Total financial liabilities		**7,115.40**	**7,115.40**	**10,943.77**	**10,943.77**	**13,340.74**	**13,340.74**

The above disclosures are presented for non-current financial assets and non-current financial liabilities. Carrying value of current financial

assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

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

33. Financial risk management

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

(Rs. in lacs)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Investments - mutual funds	27.07	-	20.72	-	40.43	-
Trade receivables	-	14,818.60	-	11,609.62	-	11,162.84
Loans (excluding security deposits)	-	47.18	-	51.59	-	136.17
Cash and cash equivalents	-	70.24	-	103.86	-	142.55
Other bank balances	-	642.37	-	566.81	-	665.99
Security deposits	-	728.19	-	594.53	-	553.33
Derivative assets	-	-	-	117.18	-	61.86
Other financial assets	-	152.58	-	129.58	-	77.14
Total financial assets	**27.07**	**16,459.16**	**20.72**	**13,173.17**	**40.43**	**12,799.88**
Financial liabilities						
Borrowings	-	30,728.67	-	31,042.45	-	31,585.59
Trade payables	-	4,202.38	-	1,908.55	-	2,375.33
Security deposits and retentions	-	42.37	-	34.89	-	18.63
Deriviative liabilities	-	2.61	-		-	-
Other financial liabilities	-	4,925.78	-	5,388.74	-	5,050.94
Total financial liabilities	**-**	**39,901.81**	**-**	**38,374.63**	**-**	**39,030.49**

(i) Risk management

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

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) *Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Description	Asset group	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period (including extension). Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Below is the bifurcation of assets in various categories of risk: **(Rs. in lacs)**

Description	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	16,459.16	13,173.17	12,799.88
High credit risk	Trade receivables	180.38	227.11	245.57

ii) *Concentration of financial assets*

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and security and earnest money deposits given for business purposes.

(Rs. in lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Polyester film	10,149.47	7,473.21	7,573.99
Engineering plastics	4,669.13	4,136.41	3,588.85

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses or lifetime expected credit losses for following financial assets –

March 31, 2018

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	14,998.98	180.38	14,818.60
Loans (excluding security deposits)	47.18	-	47.18
Cash and cash equivalents	70.24	-	70.24
Other bank balances	642.37	-	642.37
Security deposits	728.19	-	728.19
Other financial assets	152.58	-	152.58
Total financial assets	**16,819.94**	**180.38**	**16,459.16**

March 31, 2017

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	11,836.73	227.11	11,609.62
Loans (excluding security deposits)	51.59	-	51.59
Cash and cash equivalents	103.86	-	103.86
Other bank balances	566.81	-	566.81
Security deposits	594.53	-	594.53
Other financial assets	129.58	-	129.58
Total financial assets	**13,283.10**	**227.11**	**13,055.99**

April 1, 2016

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	11,408.41	245.57	11,162.84
Loans (excluding security deposits)	136.17	-	136.17
Cash and cash equivalents	142.55	-	142.55
Other bank balances	665.99	-	665.99
Security deposits	553.33	-	553.33
Other financial assets	77.14	-	77.14
Total financial assets	**12,983.59**	**245.57**	**12,738.02**

Expected credit loss for trade receivables under simplified approach

As at March 31, 2018

(Rs. in lacs)

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

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

As at March 31, 2017 **(Rs. in lacs)**

Particulars	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	805.15	32.02	11.80	17.72	1.85	2.15
Expected credit loss (impairment)	0.05	0.00	2.67	2.16	0.00	0.85
Carrying amount (net of impairment)	805.10	32.02	9.13	15.56	1.85	1.30

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	32.11	1.02	44.84	179.88
Expected credit loss (provision)	24.99	0.91	23.09	172.38
Carrying amount (net of impairment)	7.12	0.11	21.76	7.50

As at April 1, 2016 **(Rs. in lacs)**

Particulars	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	778.73	110.61	32.49	19.42	3.80	8.10
Expected credit loss (provision)	24.54	7.95	0.36	3.47	1.76	3.52
Carrying amount (net of impairment)	754.19	102.66	32.13	15.95	2.04	4.58

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	>721 Days
Gross carrying value	63.71	14.05	111.38	114.56
Expected credit loss (provision)	11.11	10.40	88.30	94.16
Carrying amount (net of impairment)	52.60	3.65	23.08	20.40

(Rs. in lacs)

Reconciliation of loss allowance	Trade receivables
Loss allowance as on April 1, 2016	**245.57**
Impairment loss reversed during the year	(18.46)
Loss allowance on March 31, 2017	**227.11**
Impairment loss reversed during the year	(46.73)
Loss allowance on March 31, 2018	**180.38**

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

March 31, 2018 **(Rs. in lacs)**

	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	28,526.34	2,541.08	652.64	31,720.06
Trade payables	4,202.38	-	-	4,202.38
Other financial liabilities	591.95	-	-	591.95
Total	**33,320.67**	**2,541.08**	**652.64**	**36,514.39**

March 31, 2017 **(Rs. in lacs)**

	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	25,407.24	6,519.45	1,017.77	32,944.46
Trade payables	1,908.55	-	-	1,908.55
Other financial liabilities	1,130.92	-	-	1,130.92
Total	**28,446.71**	**6,519.45**	**1,017.77**	**35,983.93**

April 1, 2016 **(Rs. in lacs)**

	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	23,439.41	9,690.33	1,708.03	34,837.77
Trade payables	2,375.33	-	-	2,375.33
Other financial liabilities	1,258.00	-	-	1,258.00
Total	**27,072.74**	**9,690.33**	**1,708.03**	**38,471.10**

The Company had access to following funding facilities :

As at March 31, 2018 **(Rs. in lacs)**

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

As at March 31, 2017 **(Rs. in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	11,000.00	9,043.87	1,956.13
Total	**11,000.00**	**9,043.87**	**1,956.13**

As at April 1, 2016 **(Rs. in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	11,000.00	8,367.66	2,632.34
Total	**11,000.00**	**8,367.66**	**2,632.34**

(C) Market risk

(i) Interest rate risk

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing: **(Rs. in lacs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowing	35,091.15	35,310.86	35,361.41
Fixed rate borrowing	-	-	-
Total borrowings	**35,091.15**	**35,310.86**	**35,361.41**

Sensitivity

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

(Rs. in lacs)

Particulars	March 31, 2018	March 31, 2017
Interest sensitivity		
Interest rates – increase by 50 basis point (March 31, 2017: 50 basis point)	175.46	176.55
Interest rates – decrease by 50 basis point (March 31, 2017: 50 basis point)	(175.46)	(176.55)

** Holding all other variables constant*

(ii) Foreign exchange risk

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

Foreign currency risk exposure

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Amount (Rs. in lacs)	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Receivables					
Trade receivable	USD	7,788,986	757,230	5,065.18	490.91
	GBP	40,573	31,791	37.43	25.71
	EURO	1,117,480	305,813	900.35	211.62
Payables					
Trade payables	SGD	730	730	0.36	0.34
	EURO	669,932	165,700	540.37	114.81
	USD	5,065,561	2,439,835	3,294.64	1,582.97
Buyer's credit on raw material (against letter of credit)					
Buyer's credit on raw material	EURO	-	977,000	-	676.57
	USD	6,763,030	1,722,660	4,398.67	1,116.97
	JPY	41,695,000	27,060,000	256.80	156.84
	EURO	688,192	873,302	554.82	604.76

Sensitivity

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

(Rs. in lacs)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Receivables					
Trade receivable	USD	253.26	24.55	(253.26)	(24.55)
	GBP	1.87	1.29	(1.87)	(1.29)
	EURO	45.02	10.58	(45.02)	(10.58)
Payables					
Trade payables	SGD	(0.02)	(0.02)	0.02	0.02
	EURO	(27.02)	(5.74)	27.02	5.74
	USD	(164.73)	(79.15)	164.73	79.15
Buyer's credit on raw material (against letter of credit)					
Buyer's credit on raw material	EURO	-	(33.83)	-	33.83
	USD	(219.93)	(55.85)	219.93	55.85
	JPY	(12.84)	(7.84)	12.84	7.84
	EURO	(27.74)	(30.24)	27.74	30.24

(iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

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

Particulars	March 31, 2018	March 31, 2017
Investments in mutual funds		
Price increase by (5%) - FVTPL instrument	1.35	1.04
Price decrease by (5%) - FVTPL instrument	(1.35)	(1.04)

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

34. Segment reporting

The Company operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments as its primary segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the econcomic resources. A brief description of the reportable segment is as follows:

Polyester film: Polyester films that are used in primarily flexible packaging and other industrial application. Polyester film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET chips is the main raw material used to manufacture the film.

Engineering plastics: Engineering plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

A. Segment Disclosure

Year ended March 31, 2018 **(Rs. in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	64,833.89	17,615.11	82,449.00	-	**82,449.00**
Total revenue	**64,833.89**	**17,615.11**	**82,449.00**	**-**	**82,449.00**
Income/(expenses)					
Other income	-	-	-	567.05	**567.05**
Cost of material consumed	38,766.36	13,848.80	52,615.16	59.07	**52,674.23**
Changes in inventories of finished goods and work-in-progress	1,072.03	179.77	1,251.80	-	**1,251.80**
Depreciation and amortisation	2,551.45	180.75	2,732.20	370.17	**3,102.37**
Finance costs	-	-	-	3,278.44	**3,278.44**
Other expenses	15,580.75	2,151.87	17,732.62	4,227.76	**21,960.38**
Segment Profit	6,863.30	1,253.92	8,117.22	(7,368.39)	**748.83**
Segment assets	45,067.92	10,739.54	55,807.46	14,466.73	**70,274.19**
Segment liabilities	6,586.43	764.23	7,350.66	34,597.88	**41,948.54**
Other disclosures					
Capital expenditure	1,012.38	52.75	1,065.13	390.63	**1,455.76**

Year ended March 31, 2017 **(Rs. in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Total
Revenue					
External customers	60720.19	16,225.21	76,945.40	-	**76,945.40**
Total revenue	**60720.19**	**16,225.21**	**76,945.40**	**-**	**76,945.40**
Income/(expenses)					
Other income	-	-	-	633.88	**633.88**
Cost of material consumed	34,734.51	10,841.45	45,575.96	-	**45,575.96**
Changes in inventories of finished goods and work-in-progress	612.74	492.20	1,104.94	-	**1,104.94**
Depreciation and amortisation	2,357.27	185.61	2,542.88	632.63	**3,175.51**
Finance costs	-	-	-	3,336.01	**3,336.01**
Other expenses	18,088.34	3,378.63	21,466.97	4,512.55	**25,979.52**
Segment Profit	4,927.33	1,327.32	6254.65	(7,847.31)	**(1592.64)**
Segment assets	44,222.31	9,976.70	54199.01	13,895.90	**68,094.91**
Segment liabilities	6,450.69	758.35	7209.04	33,195.48	**40,404.52**
Other disclosures					
Capital expenditure	835.25	48.10	883.35	476.30	**1,359.65**

As at April 01, 2016 **(Rs. in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Segment assets	46,652.15	10,355.52	57,007.67	13,973.16	**70,980.82**
Segment liabilities	7,566.46	1,978.82	9,545.28	32,665.47	**42,210.75**

Revenue as per geographical market **(Rs. in lacs)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from external customers:		
India	58,176.99	58,591.54
Outside India	24,272.01	18,353.86
Total revenue per statement of profit or loss	**82,449.00**	**76,945.40**
Segment assets		
India	8,815.64	7,202.72
Outside India	6,002.96	4,406.90
Totals	**14,818.60**	**11,609.62**

Information about major customer

During the year ended March 31, 2018 revenue of approximately 10% (March 31, 2017: 8%) was derived from a single external customer in the polyester film business and approximately 9% in March 31, 2018 (March 31, 2017: 7%) was derived from a single external customer in the engineering plastics.

Non-current assets

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

35. Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(Rs. in lacs)

	March 31, 2018	March 31, 2017	April 1, 2016
Total borrowings*	392,715.91	415,272.57	459,080.80
Total equity	28,325.65	27,690.39	28,770.06
Net debt to equity ratio	**1386%**	**1500%**	**1596%**

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

36. Related party transactions

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

i) Parties where control exists:	Nature of related party	
Name of the related parties	**March 31, 2018**	**March 31, 2017**
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Holding Company	Holding Company
Ester International USA Limited (EIUL) (voluntarily liquidated vide dissolution certificate dated September 20, 2016)	Not Applicable	Subsidiary Company
Mr. Arvind Singhania (Chairman and CEO)	Key Managerial Personnel	Key Managerial Personnel
Mr. Pradeep Kumar Rustagi (Executive Director)	Key Managerial Personnel	Key Managerial Personnel
Mr. Ayush Vardhan Singhania (son of Mr. Arvind Singhania)	Relatives of Key Managerial Personnel	Relatives of Key Managerial Personnel
Mr. Jai Vardhan Singhania (son of Mr. Arvind Singhania)	Relatives of Key Managerial Personnel	Relatives of Key Managerial Personnel
Fenton Investments Private Limited	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Enterprises owned or significantly influenced by key managerial personnel or their relatives

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

Sr. No.	Particulars	Year	Holding Company	Subsidiaries	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Total
1	**Rent paid**					
	Fenton Investments Private Limited	March 31, 2018	-	-	3.03	**3.03**
		March 31, 2017	-	-	18.17	**18.17**
2	**Amount written off**					
	Ester International (USA) Limited	March 31, 2018	-	-	-	-
		March 31, 2017	-	18.63	-	**18.63**

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

Sr No.	Particulars	Year	Key managerial personnel	Relative of key managerial personnel	Total
1	**Managerial remuneration**				
	Arvind Singhanias	March 31, 2018	149.14	-	**149.14**
		March 31, 2017	134.91	-	**134.91**
	Pradeep Kumar Rustagi	March 31, 2018	100.33	-	**100.33**
		March 31, 2017	82.44	-	**82.44**
2	**Salary paid**				
	Ayush Vardhan Singhania	March 31, 2018	-	48.00	**48.00**
		March 31, 2017	-	43.23	**43.23**
	Jai Vardhan Singhania	March 31, 2018	-	24.00	**24.00**
		March 31, 2017	-	43.23	**43.23**

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

1	**Guarantees given against loans taken (jointly and severally) by the Company**				
	Arvind Singhania	March 31, 2018	30,146.37	-	**30,146.37**
		March 31, 2017	26,406.37	-	**26,406.37**
		April 1, 2016	26,136.24	-	**26,136.24**

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

Sr. No.	Particulars	Year	Holding Company	Subsidiaries	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Total
1	**Balance payable**					
	Ester International (USA) Limited	March 31, 2018	-	-	-	**-**
		March 31, 2017	-	-	-	**-**
		April 1, 2016	-	60.00	-	**60.00**

Sr. No.	Particulars	Year	Holding Company	Subsidiaries	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Total
2	**Balance recoverable**					
	Ester International (USA) Limited	March 31, 2018	-	-	-	**-**
		March 31, 2017	-	-	-	**-**
		April 1, 2016	-	67.89	-	**67.89**
3	**Security deposit**					
	Fenton Investments Private Limited	March 31, 2018	-	-	-	-
		March 31, 2017	-	-	4.50	**4.50**
		April 1, 2016	-	-	4.50	**4.50**
4	**Unsecured loan**					
	Wilemina Finance Corporation	March 31, 2018	504.15	-	-	**504.15**
		March 31, 2017	-	-	**-**	**-**
		April 1, 2016	-	-	**-**	**-**
5	**Guarantees given against loans taken (jointly and severally) by the Company**					
	Wilemina Finance Corporation	March 31, 2018	28,358.10	-	-	**28,358.10**
		March 31, 2017	28,753.08	-	-	**28,753.08**
		April 1, 2016	29,690.72	-	-	**29,690.72**

(e) **Key managerial personnel compensation:** **(Rs. in lacs)**

Nature of transactions	March 31, 2018	March 31, 2017
Short-term employee benefits	249.47	217.35
Post-employment benefits	14.47	6.87
Other long-term benefits	8.05	5.14
	271.99	**229.36**

37. Contingent liabilities and commitments

(Rs. in lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
A. **Contingent liabilities***			
1 Claims against the Company not acknowledged as debts^	67.14	130.58	88.87
2 Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015#	22.87	22.87	22.87
3 There is a contingent liability of:			
i) Excise duty/custom duty/service tax demands not acknowledged as liability	320.29	320.29	526.93
ii) Demand raised by Income Tax department, disputed by the Company and pending in appeal	56.50	56.50	56.50

* The amounts indicated as contingent liability or claims against the Company only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

^ These claims represents various civil case filed against the Company. 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 1, 2016, the Company has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from April 1, 2014, the Company on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

(Rs. in lacs)

B. Commitments	March 31, 2018	March 31, 2017	April 1, 2016
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	154.33	306.03	299.36
2 Estimated amounts of contracts remaining to be executed on other then capital account and not provided for	5,206.79	3,812.05	-

38. Leases disclosure as lessee

Operating leases

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

(Rs. in lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Lease payments for the year	49.04	54.78	70.28
Total	**49.04**	**54.78**	**70.28**

39 Employee benefits - gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on departure at fifteen day salary (last drawn salary) for each completed year of service. The Company provides for liability in its books of accounts based on actuarial valuation.

The following table summarise the components of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet for gratuity benefit:

(i) Amounts recognised in the balance sheet **(Rs. in lacs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current liability	49.14	54.42	58.12
Non-current Liability	699.54	672.31	622.41
Total	**748.68**	**726.73**	**680.53**

(ii) Expenses recognised in other comprehensive income **(Rs. in lacs)**

Particulars	March 31, 2018	March 31, 2017
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(43.76)	30.89
- Changes in experience adjustment	0.39	(14.66)
Cost recognised during the year	**(43.37)**	**16.23**

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

Particulars	March 31, 2018	March 31, 2017
Current service cost	57.98	61.08
Interest cost	53.56	54.44
Cost recognised during the year	**111.54**	**115.52**

(iv) Movement in the liability recognised in the balance sheet is as under: **(Rs. in lacs)**

Particulars	March 31, 2018	March 31, 2017
Present value of defined benefit obligation at the beginning of the year	726.73	680.53
Current service cost	57.98	61.08
Interest cost	53.56	54.44
Actuarial (gain)/loss net	(43.37)	16.23
Benefits paid	(46.22)	(85.55)
Present value of defined benefit obligation at the end of the year	**748.68**	**726.73**

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

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.73%	7.37%	8.00%
Salary escalation rate	5.00%	5.50%	5.50%
Retirement age (years)	58 Years	58 Years	58 Years
Average past service	13.26 Years	13.22 Years	13.25 Years
Average age	42.05 Years	41.88 Years	41.90 Years
Average remaining working life	15.95 Years	16.12 Years	16.10 Years
Weighted average duration	12.91 Years	13.08 Years	12.92 Years
Withdrawal rate			
Upto 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

(v) (b) Maturity profile of defined benefit obligation **(Rs. in lacs)**

Year March 31, 2018	Year March 31, 2017	Amount March 31, 2018	Amount March 31, 2017
April 2018- March 2019	April 2017- March 2018	49.14	54.42
April 2019- March 2020	April 2018- March 2019	11.69	10.21
April 2020- March 2021	April 2019- March 2020	12.01	15.40
April 2021- March 2022	April 2020- March 2021	12.31	19.49
April 2022- March 2023	April 2021- March 2022	12.50	73.72
April 2023- March 2024	April 2022- March 2023	12.59	53.95
April 2024 onwards	April 2023 onwards	638.44	499.55

(vi) Sensitivity analysis **(Rs. in lacs)**

Particulars	March 31, 2018	March 31, 2017
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**748.68**	**726.73**
Impact due to increase of 0.50%	(23.41)	(24.97)
Impact due to decrease of 0.50%	24.81	26.53
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**748.68**	**726.73**
Impact due to increase of 0.50%	25.35	26.89
Impact due to decrease of 0.50%	(24.11)	(25.52)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Risk

Salary increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability.

Employee benefits - provident fund

Provident fund for certain eligible employees is managed by the company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at March 31, 2018 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Company towards provident fund.

(Rs. in lacs)

(i) Projected benefit obligation	March 31, 2018	March 31, 2017
Projected benefit obligation at beginning of year	1,305.14	1,242.12
Current service cost	93.19	106.30
Interest cost	95.93	99.37
Contributions by plan participants/employees	121.80	136.82
Actuarial loss due to interest guarantee	7.39	4.28
Benefits paid	(387.09)	(306.79)
Settlements/transfer In	19.37	23.04
Projected benefit obligation at end of year	1,255.73	1,305.14

(Rs. in lacs)

(ii) Reconciliation of plan assets	March 31, 2018	March 31, 2017
Fair value of plan asset at beginning of year	1,364.19	1,293.66
Actual return on plan asset	113.37	113.84
Employer contribution	93.19	106.30
Plan participants/employee contribution	121.80	136.82
Benefit paid	(387.09)	(306.79)
Asset (gain)	-	(2.68)
Settlements/transfer in	19.37	23.03
Fair value of plan asset at the end of the year	1,324.83	1,364.19

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

(iii)	Economic assumptions	March 31, 2018	March 31, 2017
	i) Interest rate	8.55%	8.65%
	ii) Discount rate	7.35%	7.73%
	iii) Expected shortfall in Interest earning on the fund	0.05%	0.05%
(iv)	**Demographic assumptions**	**March 31, 2018**	**March 31, 2017**
	i) Mortality	IALM (2006-08)	IALM (2006-08)
	ii) Disability	None	None
	iii) Normal Retirement Age	58	58
(v)	**Actuarial (Gain)/Loss on Obligation**	**March 31, 2018**	**March 31, 2017**
	i) Actuarial (Gain)/Loss on arising from Change in Demographic assumption	-	-
	ii) Actuarial (Gain)/Loss on arising from Change in Financial assumption	(0.10)	-
	iii) Actuarial (Gain)/Loss on arising from Experience adjustment	7.49	4.28
(vi)	**Major categories of plan assets (as percentage of total plan assets)**	**March 31, 2018**	**March 31, 2017**
	i) Funds managed by insurer	100%	100%

40. Capitalisation of expenditure

During the year, the Company has capitalised the following expenses to the cost of property, plant and equipment/capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Salaries, wages and bonus	-	11.61	28.3
Finance costs	-	67.67	148.26
Total	**-**	**79.28**	**176.59**

41. First time adoption of Ind AS

A. Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

1. Reconciliation of total equity as at March 31, 2017 and April 1, 2016 **(Rs. in lacs)**

Particulars	Notes	March 31, 2017 Previous GAAP*	March 31, 2017 Effect of transition to Ind AS	March 31, 2017 Ind AS	April 1, 2016 Previous GAAP*	April 1, 2016 Effect of transition to Ind AS	April 1, 2016 Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	Note – 11	37,983.87	3,412.36	41,396.23	38,163.82	2,931.55	41,095.37
Capital work-in-progress		173.77	-	173.77	2,347.74	-	2,347.74
Intangible assets	Note – 2	293.65	(66.61)	227.04	335.53	(84.84)	250.69
Financial assets							
Investments	Note – 9	-	-	-	1.71	(1.53)	0.18
Loans	Note – 9	594.53	-	594.53	621.22	1.53	622.75
Other financial assets		86.48	-	86.48	24.83	-	24.83
Current tax assets (net)		57.21	-	57.21	64.14	-	64.14
Other non-current assets	Note – 1	99.79	(38.23)	61.56	120.62	(31.15)	89.47
Total non-current assets		**39,289.30**	**3,307.52**	**42,596.82**	**41,679.61**	**2,815.56**	**44,495.17**
Current assets							
Inventories	Note – 9	11,739.72	(13.41)	11,726.31	12,837.04	(25.30)	12,811.74
Financial assets							
Investment	Note – 5	20.00	0.72	20.72	39.72	0.71	40.43
Trade receivables	Note – 4	11,627.37	(17.75)	11,609.62	11,220.48	(57.64)	11,162.84
Cash and cash equivalents		103.86	-	103.86	142.55	-	142.55
Other bank balances		566.81	-	566.81	665.99	-	665.99
Loans		51.59	-	51.59	66.75	-	66.75
Other financial assets	Note – 3	43.10	117.18	160.28	52.30	61.87	114.17
Other current assets	Note – 1	1,300.57	(41.67)	1,258.90	1,575.65	(94.47)	1,481.18
Total current assets		**25,453.02**	**45.07**	**25,498.09**	**26,600.48**	**(114.83)**	**26,485.65**
Total assets		**64,742.32**	**3,352.59**	**68,094.91**	**68,280.09**	**2,700.73**	**70,980.82**

EQUITY AND LIABILITIES							
Equity							
Equity share capital		4,169.69	-	4,169.69	4,169.69	-	4,169.69
Other equity	Equity Reco	23,568.52	(47.82)	23,520.70	25,153.38	(553.01)	24,600.37
Total equity		**27,738.21**	**(47.82)**	**27,690.39**	**29,323.07**	**(553.01)**	**28,770.06**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	Note – 1	6,769.84	(94.48)	6,675.36	9,702.47	(137.55)	9,564.92
Other financial liabilities		-	168.87	168.87	-	213.23	213.23
Provisions		841.18	-	841.18	785.55	(0.04)	785.51
Other non current liabilities	Note – 11	-	3,142.41	3,142.41	-	3,182.57	3,182.57
Deferred tax liabilities (net)	Note – 8	1,682.59	(15.94)	1,666.65	2,226.73	(30.89)	2,195.84
Total non-current liabilities		**9,293.61**	**3,200.86**	**12,494.47**	**12,714.75**	**3,227.32**	**15,942.07**
Current liabilities							
Financial liabilities							
Borrowings	Note – 1	19,976.93	121.75	20,098.68	18,186.93	57.92	18,244.85
Trade payables		1,908.60	(0.05)	1,908.55	2,375.33	-	2,375.33
Other financial liabilities	Note - 2 & Note - 3	5,459.99	(205.23)	5,254.76	5,132.08	(275.74)	4,856.34
Other current liabilities	Note – 11	285.91	283.08	568.99	464.06	244.24	708.30
Short term provisions		79.07	-	79.07	83.87	-	83.87
Total current liabilities		**27,710.50**	**199.55**	**27,910.05**	**26,242.27**	**26.42**	**26,268.69**
Total equity and liabilities		**64,742.32**	**3,352.59**	**68,094.91**	**68,280.09**	**2,700.73**	**70,980.82**

** The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.*

2 Reconciliation of total comprehensive income for the year ended March 31, 2017 **(Rs. in lacs)**

	Notes	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Revenue from operations		76,945.40	-	76,945.40
Other income	Note - 3, Note - 4, Note - 5 and Note - 11	394.13	239.75	633.88
Total revenues (I)		**77,339.53**	**239.75**	**77,579.28**
Expenses				
Cost of material consumed		45,575.96	-	45,575.96
Excise duty		6,674.02	-	6,674.02
Changes in inventories of finished goods and work-in progress		1,104.94	-	1,104.94
Employee benefits expense	Note – 10	4,611.34	(16.23)	4,595.11
Finance costs	Note – 1	3,302.78	33.23	3,336.01
Depreciation and amortisation expense	Note - 2, Note - 6 and Note - 11	2,952.78	222.73	3,175.51
Other expenses	Note – 4	14,756.50	(46.13)	14,710.37
Total expenses (II)		**78,978.32**	**193.60**	**79,171.92**
Loss before tax (I-II)		**(1,638.79)**	**46.15**	**(1,592.64)**
Tax expense				
Current tax		-	-	-
Deferred tax credit	Note – 8	(544.15)	20.31	(523.84)
Total tax expenses		**(544.15)**	**20.31**	**(523.84)**
Profit/(loss) after tax		**(1,094.64)**	**25.84**	**(1,068.80)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurement gains (losses) on defined benefit plans	Note – 10	-	(16.23)	(16.23)
Income tax effect	Note – 8	-	5.36	5.36
Total comprehensive income		**(1,094.64)**	**14.97**	**(1,079.67)**

** The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.*

B Ind AS optional exemptions

1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment, capital work-in-progress and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Consequential changes arising on the application of other Ind AS is adjusted from the deemed cost of property, plant and equipment and intangible assets.

2 Investment in subsidiary

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiary. Accordingly, the Company has elected to apply the said exemption.

C Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Investment in financial instruments carried at fair value through profit and loss ('FVTPL').

b) Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

D Other reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at March 31, 2017 and April 1, 2016 **(Rs. in lacs)**

	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**27738.21**	**29,323.07**
Adjustments:			
Impact of effective interest rate adjustment on borrowing	Note – 1	(2.25)	8.90
Impact of deferred payment terms on intangible assets	Note – 2	(9.63)	(5.73)
Impact of mark to market on derivative instruments	Note – 3	(5.56)	(9.59)
Impact of expected credit loss on trade receivables	Note – 4	(17.75)	(57.65)
Investment at fair valuation through profit and loss	Note – 5	0.72	0.71
Reversal of depreciation on stores and spares	Note – 6	(26.54)	(29.83)
Reversal of revalution reserve and related depreciation impact	Note – 7	-	(490.72)
Other	Note – 9	(2.78)	0.01
Tax Impact on above adjustments	Note – 8	15.97	30.89
Total adjustments		**(47.82)**	**(553.01)**
Total equity (shareholder's funds) as per Ind AS		**27,690.39**	**28,770.06**

2 Reconciliation of total comprehensive income for the year ended March 31, 2017

	Notes to first time adoption	March 31, 2017
Net loss as per previous GAAP		**(1,094.64)**
Adjustments:		
Impact of effective interest rate adjustment on borrowings	Note – 1	(11.14)
Impact of deferred payment terms on intangible assets	Note – 2	(3.89)
Impact of mark to market on derivative instruments	Note – 3	4.52
Impact of expected credit loss on trade receivables	Note – 4	39.89
Investment at fair valuation through profit and loss	Note – 5	0.01
Reversal of depreciation on stores and spares	Note – 6	3.29
Re-measurment impact of retirement benefits	Note – 10	16.23
Others	Note – 9	(2.76)
Tax Impact on above adjustments	Note – 8	(20.31)
Total adjustments		**25.84**
Net loss as per Ind AS		**(1,068.80)**
Other comprehensive income (net of tax)	**Note – 10**	**(10.87)**
Total comprehensive income for the period under (Ind AS)		**(1079.67)**

3 Reconciliation of statement of cash flows for the year ended March 31, 2017 **(Rs. in lacs)**

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	4,371.47	586.59	4,958.06
Net cash flow from investing activities	(975.81)	(171.72)	(1,147.53)
Net cash used in financing activities	(3,434.35)	(414.87)	(3,849.22)
Net increase/decrease in cash and cash equivalents	(38.69)	(0.00)	(38.69)
Cash and cash equivalents at the April 1, 2016	142.55	(0.00)	142.55
Cash and cash equivalents at the March 31, 2017	**103.86**	**(0.00)**	**103.86**

* Impact is on account of certain reclassification under Ind AS.

Note – 1

Effective interest rate adjustment on borrowings

As per Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the finance cost by applying the effective interest method. Under previous GAAP, these transaction costs were charged to statement of profit and loss on straight-line basis over the period of loan.

Note – 2

Deferred payment terms on intangible assets

Under the previous GAAP, intangible assets purchased on deferred payment terms were to be recorded at the transaction value. As per Ind AS 109, such intangible assets are recorded at the present value of the deferred payment and related interest cost is charged to statement of profit and loss over the agreed period of contract for payment.

Note – 3

Mark to market on derivative instruments

Under the previous GAAP, the premium or discount arising at the inception of forward contracts are amortised as an expense in statement of profit and loss. As per Ind AS 109, such derivative contracts are marked to market at reporting date and resultant gain/(loss) is recognised in statement of profit and loss.

Note – 4

Expected credit loss on trade receivables

Under the previous GAAP, impairment for trade receivables is recognised on specific identification method based on management assessment of recoverability of trade receivables. As per Ind AS 109, the Company is required to apply expected credit loss model (provision matrix approach) for recognising the allowance for doubtful receivables.

Note – 5

Fair value through profit and loss

Under previous GAAP, investments in long-term equity instrument are shown at cost and tested for provision other than temporary diminution. As per Ind AS 109, such investments are measured at fair value through profit and loss (FVTPL) and resultant gain/(loss) is recognised in statement of profit and loss.

Note – 6

Reversal of depreciation on stores and spares

The Company has capitalised stores and spares starting 1 April 2016 (as per the provisions of revised AS 10 of previous GAAP) and provided depreciation prospectively. However, under Ind AS, these have been capitalised from the transition date leading to reversal in subsequent years.

Note – 7

Reversal of revaluation reserve and related depreciation impact

The Company has netted off revaluation reserve with net block of respective property, plant and equipment as per the transition provision of revised AS 10 of previous GAAP. In previous GAAP, the Company has taken the related impact on 1 April 2016 and presented the related numbers in previous GAAP financial statements of 31 March 2017. Considering, the transition date under Ind AS is also 1 April 2016 and hence, the related impact also netted off under Ind AS on transition date.

Note – 8

Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

Note – 9

Others

Other adjustments include adjustments on various matters which have not been disclosed separately considering the materiality of the amounts involved.

Note – 10

Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

Note – 11

Government grants

Under previous GAAP, government grant/assistance relating to the purchase of property plant and equipment was recognised net of acquisition cost of property, plant and equipment. Under Ind AS, government grant/assistance is recognised on gross basis as deferred income. The said deferred income is released to statement of profit and loss over the same period and in same proportion over which additional depreciation is recognised on underlying property, plant and equipment.

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

per **Ashish Gupta**
Partner
Membership no.504662

For and on behalf of the Board of Directors

Arvind Singhania
Chairman & CEO
DIN: 00934017

Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Diwaker Dinesh
Company Secretary
M.No: A22282

Place: New Delhi
Date: May 16, 2018

Notes

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 addresses 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–110020**	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.

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

IFSHARE(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–EsterIndustries Limited** **T-34, Okhla Industrial Area, Phase-II, New Delhi–110020**	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

Corporate Office:
Plot No. 11, Block-A, Infocity-I, Sector-34, Gurgaon-122001, Haryana
Phone No.: +91-124-4572100, Fax No.: +91-124-4572199
Email: investor@ester.in, Website: www.esterindustries.com

Printed at IPP Ltd. Noida

ATTENDANCE SLIP

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

32nd ANNUAL GENERAL MEETING

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

S. No. .

Folio No./ DP Id. & Client Id. :

Name of the Shareholder :

Jt1 :

Jt2 :

Address of the Shareholder :

No. of Shares :

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company to be held on Monday, the 24th Day of September 2018 at 10.30 AM at Sohan Nagar, P.O. Charubeta, Khatima - 262 308, District Udham Singh Nagar, Uttarakhand.

Name of Proxy :

(IN CAPITAL LETTER)

.....

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

ELECTRONIC VOTING PARTICULARS	
EVSN (E-voting Sequence Number)	**PAN / Sequence No.**
180820001	

PROXY FORM

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

32nd ANNUAL GENERAL MEETING

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

CIN : L24111UR1985PLC015063

Name of the Company : Ester Industries Limited

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

Name of the member(s) :

Registered Address :

Email ID :

Folio No./ DP ID & Client ID :

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

1. Name..... Address.....
   Email ID ..... Signature:..... or failing him/ her
2. Name..... Address.....
   Email ID ..... Signature:..... or failing him/ her
3. Name..... Address.....
   Email ID ..... Signature:..... or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday, 24th September, 2018 at 10.30 AM at Registered Office at Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and any adjournment thereof in respect of such resolutions as are indicated below:

ITEM NO.	RESOLUTIONS	Optional[2]	
		For	Against
1	Consideration and adoption of Annual Accounts, Auditors and Directors Report		
2	Re-appointment of Mr. Pradeep Kumar Rustagi who retires by rotation		
3	Ratification of Remuneration fixed for Cost Auditor of the Company		
4	Re-appointment of Mr. Ashok Newatia as an Independent Director of the Company		
5	Re-appointment of Mr. M S Ramachandran as an Independent Director of the Company		
6	Re-Appointment of Dr. Anand Chand Burman as an Independent Director of the Company		
7	Re-Appointment of Mr. Dinesh Chandra Kothari as an Independent Director of the Company		
8	Re-Appointment of Mr. P S Dasgupta as an Independent Director of the Company		

Signed this ..... day of 2018

Re. 1/- revenue stamp

Signature of Shareholder……

Signature of Proxy holder(s) ……

Notes : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

2. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.