ESTER
INDUSTRIES LTD.
CIN : L24111UR1985PLC015063

Date: 2nd September, 2021

BSE 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
Scrip Code: 500136	**Symbol: ESTER**

Dear Sir

Subject : Submission of Notice of forthcoming Annual General Meeting along with Annual Report for the financial year 2020-21

Pursuant to Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, please find enclosed Notice of forthcoming Annual General Meeting along with Annual Report for the financial year 2020-21.

Please acknowledge the receipt of the same.

Thanking You

Yours Faithfully
For **Ester Industries Limited**

Diwaker Dinesh
Head-Legal & Company Secretary

Encls: As above

35th ANNUAL REPORT

2020-21

ESTER INDUSTRIES LIMITED

CORPORATE INFORMATION

Board of Directors	Mr. Arvind Singhania	Chairman & CEO
	Mr. Ashok Kumar Newatia	Independent Director
	Mr. M. S. Ramachandran	Independent Director
	Dr. Anand Chand Burman	Independent Director
	Mr. P. S. Dasgupta	Independent Director
	Mr. Sandeep Dinodia	Independent Director
	Mrs. Padmaja Shailen Ruparel	Independent Director
	Mrs. Archana Singhania	Non - Executive Director
	Mr. Pradeep Kumar Rustagi	Executive Director & CFO
	Mr. Ayush Vardhan Singhania	Whole-time Director
Head - Legal & 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 HDFC Bank Limited Tata Capital Financial Services Limited Karnataka Bank Limited IDFC First Bank Limited Bajaj Finance Limited Axis Finance Limited	
Head Office	Plot No. 11, Block-A, Infocity-I, Sector -34, Gurgaon-122001, Haryana	
Registered Office	Sohan Nagar, P.O. Charubeta Khatima – 262 308, District Udham Singh Nagar, Uttarakhand	
Registrar & Share Transfer Agent	Mas Services Limited T-34, Okhla Industrial Area, Phase-II New Delhi – 110 020	
Listing of Securities	BSE Limited National Stock Exchange of India Ltd	

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E-communication Registration Form

NECS Mandate

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 AGM

NOTICE is hereby given that the **35th ANNUAL GENERAL MEETING (AGM)** of ESTER INDUSTRIES LIMITED will be held on **Monday, 27th September, 2021 at 11.00 AM** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 together with the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2021.
3. 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

4. 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 there under (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 2021-22, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified."

As Special Resolution

5. APPOINTMENT OF MR. AYUSH VARDHAN SINGHANIA (DIN 05176205) AS WHOLE-TIME DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Ayush Vardhan Singhania (DIN: 05176205), who was appointed as an additional director w.e.f. 1st June, 2021 by the Board of Directors of the Company at its meeting held on 18th May, 2021, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of Central Government, if required, Mr. Ayush Vardhan Singhania (DIN 05176205) be and is hereby appointed as Whole-time Director on the terms and conditions mentioned below -

A) PERIOD OF RE-APPOINTMENT

From 1st June, 2021 to 31st May, 2024.

B) DETAILS OF REMUNERATION

1. Basic Salary – Rs. 4,33,500/- per month with such revision as the Board may decide from time to time, subject however to a ceiling of Rs. 10,00,000/- per month
2. Special Allowance – Rs. 3,60,230/- per month with such revision as the Board may decide from time to time, subject however to a ceiling of Rs. 8,60,000/- per month
3. House Rent Allowance –Rs. 2,16,750/- per month with such increments as the Board may decide from time to time, subject however to a ceiling of Rs 5,00,000/- per month
4. Leave Travel Allowance – Rs. 1,50,000/- per year with such increments as the Board may decide from time to time, subject however to a ceiling of Rs. 5,00,000/- per year
5. Contribution to Superannuation fund – Rs. 8,333/- per month or such other amount as per the rules/policy of

the Company or as the Board may, from time to time, decide.

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

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

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

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

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

RESOLVED FURTHER THAT pursuant to the provisions of Section 197(1) of the Companies Act, 2013, in the absence or inadequacy of the profits also in any financial year or even if the above-stated remuneration is beyond the prescribed limits under the applicable laws, Mr. Ayush Vardhan Singhania will be entitled to receive above-stated remuneration.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to increase remuneration of appointee and review, alter or vary designation and other terms and conditions of appointment of the appointee, as mutually agreed with Mr. Ayush Vardhan Singhania, at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

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

By Order of the Board of Directors
For Ester Industries Limited

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
(Membership No.: A22282)

Place : Gurugram
Date : 9th August, 2021

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 (MCA Circulars), physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM may be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

   Accordingly AGM of the Company will be convened through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and Members can attend the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and vote through electronic platform during the Meeting.

   Deemed Venue of the Annual General Meeting is Registered Office at Sohan Nagar, P.O. Charubeta, Khatima - 262308, Distt. Udham Singh Nagar, Uttarakhand.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. In line with MCA Circular No. 17/2020 dated April 13, 2020, electronic copy of the Notice of the 35th 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. The Notice calling the AGM has been uploaded on the website of the Company at – **http://www.esterindustries.com/investors/financial-reports/annual-report**, as part of the Annual Report for financial year 2020-21. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. **www.evotingindia.com**

6. Additional information pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment as mentioned under item no. 3 & 5 at the Annual General Meeting forms part of this Notice.

7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for Item No. 4 & 5 of the accompanying Notice, is annexed hereto.

8. Corporate Members intending to attend and vote during the meeting or by Remote e-voting through their authorized representative(s) pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorising their representatives at Company's email id viz. **investor@ester.in.**

9. The Register of Member and Share Transfer Books will remain closed from **21st September, 2021 to 27th September, 2021 (both days inclusive)** for the purpose of Annual General Meeting and ascertaining the list of shareholders eligible for the Dividend.

10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

11. If dividend on Equity Shares, as recommended by the Board, is declared at the Annual General Meeting, the Payment of such dividend will be made before **25th October, 2021** to those member whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by Depositories at the end of business hours on 20th September, 2021.

12. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at sources from dividend paid to shareholders at the rates prescribed under the Act. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961. A detailed communication for this is available on the website of the Company viz **www.esterindustries.com**

    Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate

as prescribed under the Income Tax, Act. The shareholders are requested to update their Permanent Account Number (PAN) with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) latest by 17th September, 2021.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ Registrar and Transfer Agent. It may further be noted that in case the tax on said dividend is deducted at a higher rate, there would still be an option available with the shareholders to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax compliances and consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

For determination of the appropriate TDS / withholding tax rate applicability, the aforementioned documents are required to be submitted by the shareholders latest by 17th September, 2021 via email at **info@masserv.com** and hard copies (in original) to Registrar and Transfer Agent viz Mas Services Limited at T-34, Okhla Industrial Area, Phase-II, New Delhi-110020. Any communication/document as stated aforesaid received after 17th September, 2021 shall not be considered for the purpose of tax deduction. In case of any query regarding this, the Shareholders may contact to Registrar and Transfer Agent viz Mas Services Limited at T-34, Okhla Industrial Area, Phase-II, New Delhi-110020; Email id – **info@masserv.com**

13. 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.

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection during the Meeting.

15. The Company is providing facility for voting through electronic means before the date of AGM (Remote e-voting) as prescribed by the Companies (Management and Administration) Rules, 2014 and voting through electronic means during the AGM (E-Poll) available for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 26.

16. **Members are requested to take note of the following:**

I. Members are requested to notify immediately -

   a. **In case shares are held in physical form:** any change in address, if any, to the Registrar and Share Transfer Agent (RTA) of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi- 110 020, India quoting their folio number.

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

II. Members holding shares in physical mode and who have not opted for NECS facility earlier for payment of dividend are requested to fill up and sign the NECS Mandate form enclosed with Annual Report or by submitting a request letter containing the details like Folio No., Name and Address of the Shareholder, particulars of the bank account (Bank name, Branch address, Bank account no, IFSC Code, MICR no) and send it to the RTA of the Company viz Mas Services Limited, T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 along with the self-attested copy of PAN and cancelled cheque leaf, so as to avail the NECS facility. Members holding shares in dematerialized form, are required to update the bank account particulars with their respective Depository Participant.

III. Process for those members whose email ids and mobile number are not registered:

   a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder, mobile number along with scan copy of any one valid share certificate (front and back both) by email to **info@masserv.com**.

   b) Members holding shares in dematerialised form can get their e-mail id and mobile number registered by contacting their respective Depository Participant.

17. 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.

18. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13.

Further, Members desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.

19. Members holding shares under multiple folios are requested to submit their applications to RTA of the Company for consolidation of folios into a single folio.

20. The recorded transcript of the forthcoming AGM on 27th September, 2021, shall also be made available on the website of the Company **www.esterindustries.com** in the Investor Relations Section, as soon as possible after the Meeting is over.

21. 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 e-mail ids with your respective depository participant (in case of dematerialized shares) and Company's registrar and share transfer agent (in case of physical shares) as stated in Note no 16.

22. 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 and PAN is not registered till date 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 RTA of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi-110 020.

23. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019.

    In view of the above, members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares, for ease of portfolio management and to avail various benefits of dematerialisation. Members can contact the Company or RTA for assistance in this regard.

24. 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.

25. 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. No dividend was required to be transferred to IEPF during the year under review.

    Members who have not yet encashed their Demand Draft/ Dividend warrants for the financial year 2013-14 (final dividend), 2018-19 (final dividend), 2019-20 (final dividend) and 2020-21 (interim dividend) are requested to make their claims to the Company immediately. Members may note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

    The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2020 along with 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 Companies Act, 2013, 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) within 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, within 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/IEPF/refund.html**

26. **VOTING THROUGH ELECTRONIC MEANS**

Commencement of E-voting	**9.00 AM 24th September, 2021**
End of E-voting	**5.00 PM 26th September, 2021**

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and the MCA Circulars, the Company is providing facility of remote e-voting before the AGM and E-Poll throuth Remote E-voting during the AGM to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency which shall provide an electronic platform to give the facility of casting the votes by the members from remote place.

ii. The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through E-Poll. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.

iii. A person who has acquired the shares after the dispatch of the Notice of the AGM and is member as on the **Cut-off date i.e. 20th September, 2021** shall be entitled to exercise his/her vote either through remote e-voting or E-Poll by following the procedure mentioned hereunder.

iv. The remote e-voting period commences at **9:00 am 24th September, 2021 and ends at 5:00 pm 26th September, 2021**.

The remote e-voting module shall be blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

v. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e. 20th September, 2021**.

vi. Mr. Akash Jain, Company Secretary in Practice (Membership No. F9617 and COP No. 9432) has been appointed as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through Remote e-voting and E-Poll, in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company **www.esterindustries.com** and on the website of CDSL viz. **www.evotingindia.com** immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be simultaneously forwarded to the National Stock Exchange of India Limited and BSE Limited. 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.

THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE AS UNDER:

The instructions for members for voting electronically are as under:-

For Shareholders holding shares in Physical Form and Shareholders other than Individual Shareholders holding shares in demat form:

I. The shareholders should log on to the e-voting website **www.evotingindia.com**.

II. Click on "Shareholders" module.

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

IV. Next enter the Image Verification as displayed and Click on Login.

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

VI. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Physical Form and Shareholders other than Individual Shareholders holding shares in demat form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * *Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.*
Dividend Bank Details **OR** Date of Birth (DOB)#	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. # *If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.*

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

VIII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 for 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

XVI. If a demat account holder has forgotten the 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. **Additional Facility for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **investor@ester.in** (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

For Individual Shareholders holding shares in Demat Form:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) If you have opted for CDSL Easi / Easiest facility, you can login through your existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL to login to Easi / Easiest are **https://web.cdslindia.com/myeasi/home/login** or visit **www.cdslindia.com** and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest you will be able to see the e-Voting option for ESTER INDUSTRIES LIMITED. On clicking the e-voting option, you will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of CDSL (Service Provider), so that you can visit the e-Voting service providers' website directly. 3) If the you are not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration** 4) Alternatively, you can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on **www.cdslindia.com** home page or click on **https://evoting.cdslindia.com/Evoting/EvotingLogin** The system will authenticate you by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, you will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of CDSL.

Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on ESTER INDUSTRIES LIMITED or CDSL (Service Provider) and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the you are not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select "Register Online for IDeAS "Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on ESTER INDUSTRIES LIMITED or CDSL (Service Provider) and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on ESTER INDUSTRIES LIMITED or CDSL (Service Provider) and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30

27. **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM (E-POLL) ARE AS UNDER:-**

a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting in Note No. 26.

b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Poll available during the AGM.

c) If Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

28. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- **Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to RTA / Company email id at **info@masserv.com** or **investor@ester.in**
- **Demat shareholders (other than Individual) -** please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account

Statement, PAN(self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to RTA / Company email id at **info@masserv.com** or **investor@ester.in.**

29. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**

a) Members will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the AGM by following the procedure stated in note No. 26. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

b) Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the AGM and will be available for Members on first come first serve basis.

c) Members are encouraged to join the Meeting through Laptops for better experience.

d) Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

e) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

f) Members who would like to express their views or ask questions during the AGM must register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at **investor@ester.in** at least 7 days before the date of the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

g) The shareholders who do not wish to speak during the AGM/ who have not registered themselves, but have queries may send their queries in advance 7 days prior to meeting mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at **investor@ester.in**. These queries will be replied by the company suitably by email or during the Meeting.

30. The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the AGM.

31. In case you have any queries or issues regarding e-voting and/or attending the AGM through VC/OAVM facility, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or contact Mr. Nitin Kunder (022-2305 8738) or Mr. Rakesh Dalvi (022-2305 8542/ 43)

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call on 022-23058542/43.

32. 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, Haryana

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

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

Item No. 4

In the Board Meeting held on 18th May, 2021, after considering the recommendation of the Audit Committee, the Directors have re-appointed M/s. R J Goel & Co. (Regn. No. 00026), Cost Accountants, as the Cost Auditor at a remuneration of Rs. 3,50,000 (Rupees Three Lacs Fifty Thousands only) to conduct the audit of Cost records for financial year 2021-22. Pursuant to the provisions of Section 148 of the Companies Act, 2013 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.

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

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

ITEM NO. 5

Mr. Ayush Vardhan Singhania is a graduate from Bentley University, Waltham, Massachusetts, USA. He has majored in Management and International Studies. He has also completed MBA from IE Business School, Madrid, Spain.

Mr. Ayush Vardhan Singhania is currently serving as Head-Business Development and Marketing of the Company, where he oversees the Business Development and Marketing department. Mr. Ayush Vardhan Singhania has a wide and rich experience in various responsible levels and challenging positions in areas of strategy, marketing and expansion of business.

Considering his knowledge of various aspects relating to the Company's affairs and business experience and at the recommendation of the Nomination & Remuneration Committee & Audit Committee, the Board of Directors at their meeting held on 18th May, 2021 approved his appointment as Whole-time Director for a period of 3 years w.e.f. 1st June, 2021 till 31st May, 2024, subject to the approval of the Shareholders.

The terms and conditions of his appointment and remuneration are given in proposed Special Resolution set out in the Item No. 5 of this Notice.

Statement containing required information as per Section II of part II of Schedule V of the Companies Act, 2013 are made part of this notice as **Annexure I**

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings) are made part of this notice as **Annexure II**

Mr. Ayush Vardhan Singhania is son of Mr. Arvind Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director of the Company.

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

This explanatory statement along with the terms of Special Resolution will be treated as a written memorandum setting out the terms of appointment of Mr. Ayush Vardhan Singhania under Section 190 of the Act.

This Notice of 35th Annual General Meeting and Special Resolution given in item no. 5 read with explanatory statement will be treated as Notice under Rules 13 of Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Shareholders.

By Order of the Board of Directors
For Ester Industries Limited

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
(Membership No.: A22282)

Place : Gurugram
Date : 9th August, 2021

ANNEXURE-I

STATEMENT CONTAINING REQUIRED INFORMATION AS PER SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NO. 5

I. GENERAL INFORMATION:

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

iv. Financial performance based on given indicators

(Rs. in lacs)

Particulars	2018-19	2019-20	2020-21
Revenue from Operations	102806.23	103870.15	99175.88
Other Income	572.01	889.39	797.83
Total Income	103378.24	104759.54	99973.71
Depreciation and amortization expenses	3241.54	3527.78	3522.32
Finance Cost	3421.40	2445.52	1855.07
Other Expenditure	92010.94	84929.60	75598.47
Profit/ (Loss) before tax	4704.36	13856.64	18997.85
Provision for taxation (including Deferred Tax)	1593.73	3906.77	4790.08
Profit/ (Loss) after tax	3110.63	9949.87	14207.77

v. Foreign investments or collaborators, if any:

Presently as on 31st March, 2021, the Company has following foreign investments in the Company –

Promoter Category (Foreign) – 63.09%
Public Category (Foreign) – 13.19%

The Company has no foreign collaboration.

II. INFORMATION ABOUT MR. AYUSH VARDHAN SINGHANIA

1. Background Details, Recognition or Awards

Mr. Ayush Vardhan Singhania is a graduate from Bentley University, Waltham, Massachusetts, USA. He has majored in Management and International Studies. He has also completed MBA from IE Business School, Madrid, Spain.

Mr. Ayush Vardhan Singhania has previously served as Head- Business Development and Marketing in the Company, where he oversees the Business Development and Marketing department. Mr. Ayush Vardhan Singhania has a wide and rich experience in various responsible levels and challenging positions in areas of strategy, marketing and expansion of business.

2. PAST REMUNERATION

Details of Remuneration paid to Mr. Ayush Vardhan Singhania in 2020-21 are as below –

(Rs. in Lacs)

Particulars of Remuneration	Ayush Vardhan Singhania*
Basic Salary	28.68
Allowances & Perquisites	39.17
PF & SAF	4.30
Commission/ Performance Linked Incentive	25.78
Total	**97.93**

**Mr. Ayush Vardhan Singhania was previously working as a Head- Business Development and Marketing of the Company, and his appointment was approved by the shareholders under section 188 of the Companies Act, 2013. He was appointed as whole-time Director of the Company w.e.f. 1st June, 2021.*

3. Job Profile and his Suitability

Mr. Ayush Vardhan Singhania is a graduate from Bentley University, Waltham, Massachusetts, USA. He has majored in Management and International Studies. He has also completed MBA from IE Business School, Madrid, Spain.

Mr. Ayush Vardhan Singhania was previously served as Head- Business Development and Marketing of the Company, where he oversees the Business Development and Marketing department. Mr. Ayush Vardhan Singhania has a wide and rich experience in various responsible levels and challenging positions in areas of strategy, marketing and expansion of business.

4. Remuneration Proposed:

The remuneration proposed for the Director is detailed in the resolution under Item No. 5 of the Notice.

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

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

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

Mr. Ayush Vardhan Singhania is a Promoter Director of the Company and holds 178033 equity shares in his individual capacity. Apart from receiving remuneration and dividend, he does not receive any emoluments from the Company. Mr. Ayush Vardhan Singhania is the son of Mr. Arvind Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director of the Company. Save and except this, Mr Ayush Vardhan Singhania is not related to any other Managerial Personnel.

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profit

At present, the Company is having adequate profits. However, the appointment is for a term of 3 years commencing 1st June, 2021 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, may be exceeded during the term of appointment. The other reasons for inadequacy of profits may be significant expansion worldwide in Polyester Film business causing skewed demand supply balance with supply exceeding the demand, volatility in the prices of Crude Oil and the prices of feedstock impacting the margins adversely and outbreak of another probable wave of Covid-19 pandemic resulting in to lockdown and related restrictions in India & across world.

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

- Focus on enhancing volume of sale of various high margin products in the Specialty Polymer business.
- Increasing the proportion of Value Added Niche products in the Polyester Film business. Value Added Niche products fetch higher realisation than the plain polyester film and are less susceptible to cyclicality.
- Increasing focus on reduction in costs.
- Improving processes and thereby improving productivity & efficiency that will lead to reduced wastages.
- Setting up a new BOPET Film plant through the wholly owned subsidiary of the company.
- Reduction in interest cost subsequent to improved external credit rating.

IV. DISCLOSURES:

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

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

By Order of the Board of Directors
For Ester Industries Limited

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

Place : Gurugram
Date : 9th August, 2021

ANNEXURE-II

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and SS – 2 (Secretarial Standards on General Meetings) are detailed below:

Particulars	Mr. Ayush Vardhan Singhania	Mr. Pradeep Kumar Rustagi
Director`s Identification Number (DIN)	05176205	00879345
Date of 1st appointment on the Board of Company	1st June, 2021	14th February, 2011
Date of appointment under current term on the Board of Company	1st June, 2021	1st April, 2020
Date of Birth	10th July, 1987	14th November, 1961
Age (in years)	33	59
Qualification	Graduate from Bentley University MBA from IE Business School, Madrid, Spain	Chartered Accountant
Expertise and experience in specific functional areas	Mr. Ayush Vardhan Singhania previously served as Head- Business Development and Marketing of the Company, where he oversees the Business Development and Marketing department. Mr. Ayush Vardhan Singhania has a wide and rich experience in various responsible levels and challenging positions in areas of strategy, marketing and expansion of business.	Mr. Pradeep Kumar Rustagi serves as an Executive Director & Chief Financial Officer (CFO) of Ester and oversees the finance and accounting department. Mr. Pradeep has more than 30 years of experience with leadership roles in financial planning, accounts, budgeting & MIS, Purchase, liaison with banks & financial institutions, statutory compliance and taxation.
Terms and conditions for appointment/ re-appointment and proposed remuneration	The terms and conditions of his appointment as whole-time Director are stated in resolution & explanatory statement of item no. 5 of the Notice of AGM.	Mr. Rustagi is being appointed as Director retiring by rotation in this meeting. The terms and conditions of his appointment as whole-time Director are stated in the Corporate Governance Report
Remuneration last drawn (including sitting fee, if any)	Details given in Annexure-I of the Notice of AGM	Details given in Corporate Governance Report
Shareholding in the Company as on 31.03.2021	178033 equity shares	400 equity shares
Relationship with other Directors and KMPs of the Company	Mr. Ayush Vardhan Singhania is son of Mr. Arvind Singhania (Chairman & CEO) and Mrs. Archana Singhania (Non-Executive Director). Save and except this, Mr. Ayush Vardhan Singhania is not related to any other Director and KMP.	Mr. Pradeep Kumar Rustagi is 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.
Number of Board meetings attended during the year as Director	-	6
Directorship in other Companies	• Ester Filmtech Limited • Acme Investments Limited	• Rekha Finance and Investment Private Limited • Fenton Investments Private Limited • PDJ Properties & Investment Services Private Limited • Ester Filmtech Limited
Chairman/member in Committees of other Board	-	-

Note - Mr. Ayush Vardhan Singhania and Mr. Pradeep Kumar Rustagi were not Director in any other Listed entity during the past 3 years, accordingly the details of resignation during the past 3 years in the Listed entities are not given.

By Order of the Board of Directors
For Ester Industries Limited

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

Place : Gurugram
Date : 9th August, 2021

MESSAGE FROM CHAIRMAN & CEO



Dear shareholders,

It gives me immense pleasure to present the annual report for the financial year 2020-21.

The year 2020-21 can be characterized as an year of extraordinary challenges. The world has seen a considerable amount of turbulence over the past year due to the global pandemic. These are testing times not only for the businesses around the world, but also for humanity in general. We believe that the challenges like these provide us numerous opportunities to innovate and better serve our customers. We have seen countless inspiring examples of resilience in this past year. Organizations assessed their circumstances, revised their strategic plans and marched towards a better future. We were also able to successfully steer through the pandemic. With our extensive efforts towards business continuity and product innovation, your company has delivered the best financial performance till date in over a decade.

As per IMF, Global economy contracted by 3.3 percent in FY 20-21 owing to COVID 19 Pandemic. The pandemic disrupted global supply chains, operating models, and led to a lifelong change in consumer sentiments and behavior. As the world adapted to a new normal post the pandemic led recession, vaccine rollout raised hopes of improved economic outlook. With second wave of COVID 19 emerging across major economies, lockdowns & travel restrictions undercut an already fragile global economy. Other issues like Indo-China relations and global container shortage led to disruptions in international supply chains. With increased vaccine penetration and eased lockdown restrictions, economic activities are expected to reach pre-COVID levels by the end of 2021. IMF expects global growth to reach 5.6% in 2021 even though uncertainties persist on the path to recovery.

Indian economy in line with the global economy was severely hit by the Pandemic and contracted by 7.3% in FY 20-21. During second half of FY20-21, the rural economy has shown impressive growth led by good monsoon season and strong demand. The projections of a normal monsoon in the current year strengthen the rural outlook further. Government and RBI's measures to inject liquidity into the system will also support the economic revival in a longer run. According to IMF, Indian economy is projected to revive strongly and grow by 9.5% in FY 21-22.

Amid COVID-19, Flexible Packaging Industry continued to play a crucial role in adding value to food & beverages and pharmaceutical industries by delivering preservation of quality and enhanced shelf life of finished products. The Flexible packaging market witnessed a boost in demand during FY20-21 and is poised to grow by $ 12.72 billion during 2021-2025, progressing at a CAGR of almost 11%.

Despite COVID-19 affecting our business in first quarter of FY21, we proactively adopted strategic measures across our operations to counter the adverse impacts of the pandemic. During FY21, your company has shown strong financial performance with profits at an all-time high. Our EBITDA margin has increased to 24.5% in the current year as compared to 18.4% in FY20, whereas Profit after Tax grew by 43% in FY21 to Rs 142 crores as against Rs 99.5 crores during the last year.

The Polyester film market in India continued to grow to the tune of 10-12 percent in FY20-21. The business continued to drive the bulk of the revenue and profitability momentum of the company benefiting from the improved demand supply dynamics. The sales volume recorded a slight decline from 58,033 metric tonnes in FY20 to 56,336 metric tonnes in FY21 primarily due to production getting affected in initial months of FY21. Better product margins and richer product mix has led to increased profitability in FY21 as compared to the previous year. During the current year, we expect the domestic demand growth to remain strong driven by FMCG and pharmaceutical demand and export demand to remain steady. The supply dynamics of the industry may get disrupted on a short to medium term with various capacity expansions planned in the second half of the current year. To offset the impact to this dynamics, your company is continuously working towards increasing the share of value added products & we expect it to reach ~30% of total volumes within next 2 years. In addition, we are on course in implementing the BOPET film capacity expansion project in the State of Telangana, which is expected to be completed by October 2022.

Engineering Plastics industry witnessed de-growth in market in FY 20-21 due to the impact of Covid-19. In the domestic market, the Auto Segment – largest end-use segment – witnessed

a decline of 18%. The Electrical segment was flat but OFC segments experienced a growth 15% on account of infrastructure development and connectivity requirement (5G up gradation/ work from home). Despite this, Ester's EP SBU registered a sales growth of 27.5% (*23% in volumetric terms*). An increase of ~5% in unit selling price – consequent to a steady increased polymer prices almost throughout H2 of FY21 – accounted for the higher growth in value terms. Sales volumes of EP compounds (*catering to end-use segments such as automotive, electrical & electronics and appliances*) registered a growth of 18%, whereas volumetric sales to the Optical Fiber Cable industry grew by ~31%. Your Company grew its sales through new approvals/new customer acquisitions and also maintained its steady exports growth journey, with volumes into the Exports market registering a growth of >58%. A good momentum was seen in H2 backed by improved market conditions in the Electrical & OFC segments. Given the prevailing uncertainty on account of COVID-19, in H1of FY22, your company would focus on customer/market retention, prudent working capital management and further reduction in fixed/ variable costs to ensure sustained performance of the SBU. We are also implementing the relocation expansion of EP SBU from Khatima to Gujarat which will further bring down operating costs largely on account of better logistics. With the EP Industry expected to bounce back in Q2, your company would work aggressively towards growing volumes & profitability.

The Specialty Polymer business witnessed a challenging year largely owing to COVID-19 led disruptions. The business is largely export dependent and given the COVID related restrictions and lockdowns, some of our key markets including USA witnessed severe demand reduction. However, the situation has started to improve since last quarter of FY20-21 which gives us confidence to perform much better in FY21-22.

I am happy to inform that our product, deep-dyeable master batch MB07, has finally been approved and significant volumes has started moving in the last few months. We expect this product to contribute significantly to the business moving going forward. Similarly our other product, cationic dyeable master batch MB16/06, has shown progress towards customer approval and we expect regular commercial volumes to start during FY21-22. The marquee product namely stain resistant masterbatch MB-03 has seen substantial improvement in offtake since Q3 FY21. The supply of innovative Polybutylene Terephthalate (PBT) has exceeded its minimum contract volume in FY21 also and we expect the volume to continue growing in coming years. Further, our new product launch LMC03, the low melt adhesive, used in carpet industry had been positively received by clients. We are happy to announce that the commercial sales of the product has already commenced and we expect this product to contribute significantly to both the top line and bottom line going forward. On our efforts towards sustainability, we have resumed the erection and commissioning of our recycled polyester production facility and we expect that the commercial sales of the product will start from the current financial year. In line with our vision to be a technology driven company, we have developed a healthy pipeline of products which are in various stages of research and development. These line of products are expected to further add to the fortunes of SBU and the company. We are confident that as this business scales up, it will be the premier growth driver and will help in enhancing the overall profitability profile of the company in long run.

We believe that we are well positioned to deliver consistent growth and create value for all our stakeholders. All the businesses are well poised to embark on their next growth phase. Beyond the strong financial performance, we continue our strategic focus on strengthening our product portfolio, leading innovation, serving our customers while giving back to the community. The core of our existence is to create value for our customers and stakeholders and this continues to remain our focus.

On behalf of Ester family, I would like to extend our sincere gratitude to 'Corona Warriors' especially doctors, paramedical personnel, government officials, and health and hygiene workers who continue to fight tirelessly to keep us safe and healthy. I would also like to express my sincere gratitude to our shareholders, investors, partners and banks who continue to support us. I express my appreciation to colleagues on the Board for their continued support and confidence in Ester. 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 35th Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2021.

FINANCIAL RESULTS

	For the year ended 31.03.2021 (Rs. / crores)	For the year ended 31.03.2020 (Rs. / crores)
Net Sales Revenue	**984.86**	**1031.71**
Other Operating Revenue	**6.90**	**6.99**
Other Income	**7.98**	**8.89**
Profit before Financial Expenses, Depreciation and Tax	**243.75**	**198.30**
Less: Interest & Other Financial Expenses	**18.55**	**24.46**
Profit / (Loss) before Depreciation and Tax	**225.20**	**173.84**
Depreciation and amortization expenses	**35.22**	**35.28**
Profit / (Loss) before Tax	**189.98**	**138.57**
Current & Deferred Tax expense / (credit)	**47.90**	**39.07**
Profit / (Loss) after Tax	**142.08**	**99.50**
Other Comprehensive Income (net of income tax effect)	**(0.25)**	**(0.76)**
Total Comprehensive Income	**141.83**	**98.74**
Basic Earnings Per Equity Share (Rupees)	**17.04**	**11.93**
Diluted Earnings Per Equity Share (Rupees)	**17.04**	**11.93**

DIVIDEND AND RESERVES

In addition to payment of Interim Dividend of Rs. 1.50 per equity share, your directors have recommended payment of Final Dividend at the rate of Rs. 1.90 per equity share as the Company has earned Net Profit after Tax of Rs. 142.08 Crores during the year under review. Your Company has not transferred any amount of Profit & Loss account to any reserve.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), the Dividend Distribution Policy is available on the Company's website at **www.esterindustries.com**.

OPERATIONS REVIEW

During the year under review, your Company earned a Net Profit after Tax (NPAT) of Rs. 142.08 crores, a significant improvement as compared to NPAT of Rs. 99.50 crores earned during FY 2019-20. Revenue from Operations during the year under review stood at Rs. 991.76 crores as compared to Rs. 1038.70 crores during FY 2019-20, a reduction of 4.5%.

FY 2020-21 has been a historic year, a year wherein your company has delivered its best financial performance till date / best in over a decade. Profit was at an all - time high, with bulk of the contribution coming from legacy businesses namely Polyester Film and Engineering plastics.

Revenue from operations are lower on account of significantly lower sales of Polyester Chips owing to non – availability of adequate heating capacity consequent to fire in Primary Heater #5 on 19th March 2020. Primary Heater #5 has been restored and is operational again since March 2021.

Specialty Polymers, a business which is largely export dependent, had a relatively soft year given the Covid – 19 related lockdowns & restrictions which were imposed during the year in some of key customer markets (including USA) - the demand and shipment activities had to face severe challenges.

Main factors for significant enhancement in profitability of the company are substantially improved performance of Polyester Film on account of higher margins and Engineering Plastics on account of higher volume as well as significantly better margins.

Film SBU continued to drive the bulk of revenue and profitability momentum for the Company, benefiting from the improving demand –supply dynamics. Steady realizations, better margins and higher proportion of Value Added & Specialty (VAS) has positively contributed to the improved bottom line. Covid-19 pandemic in fact, has had positive impact on the economics of the business on the back of consumers' preference for packaged products for reasons of health, hygiene and safety. Demand for Polyester Film continues to grow at the rate of 10% - 12% (domestic) and 6%- 6.5% (global).

The profitability for the Polyester Film SBU witnessed an improvement in EBIT from Rs. 182.64 crores to Rs. 218.57 crores – EBIT margin improving from 22.7% to 30.1%.

For Engineering Plastics SBU, the FY 2020-21 has been a landmark year. Despite starting on a soft note, it has delivered its best performance till date. Engineering Plastics SBU witnessed significant increase in revenues from Rs. 160.77 crores to Rs. 204.99 crores, both on account of higher volume and selling price. Rising trend in polymer prices as well as shortage of base polymers have resulted in higher sales realizations & unprecedented margin expansion.

Engineering Plastics SBU registered a growth of 27.5% in value terms (23% in volumetric terms). The higher increase in value terms was on account of ~4% increase in unit selling price (compared to the previous year) consequent to the steady rise in polymer prices and more than proportionate rise in margins.

EBIT of the EP SBU has increased multi-fold on the back of strong demand from the end-user industries & unprecedented margins. EBIT for the Engineering Plastics SBU improved from Rs. 8.63 crores to Rs. 40.65 crores – EBIT margin improving from 5.4% to 19.8%.

During the year under review, capacity utilization in Polyester Films was about 100%. Production & sales volume were marginally lower than last year on account of Covid – 19 related restrictions on movement of men and materials during June 2020 quarter.

Various initiatives taken over the last ten years – supported by capacity expansions & higher productivity in Polyester Film – have resulted in revenues from operations growing at a CAGR of 10.1% pa, from Rs. 395.37 crores in FY 2009-10 to Rs. 991.76 crores in FY 2020-21.

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.

As regards expansion of BOPET Film capacity through Wholly Owned Subsidiary (WOS) namely Ester Filmtech Limited, we are on course in implementation of the project in the state of Telangana. Your company has already invested Rs. 96.35 crores as equity in the WOS till 31st March, 2021.

CORPORATE GOVERNANCE

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

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

SECRETARIAL STANDARDS

The Company is in compliance 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 2020-21.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Whole-time Director

Pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) (Act) and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board, in its meeting held on 18th May, 2021, appointed Mr. Ayush Vardhan Singhania (DIN 05176205) as Additional Director w.e.f. 1st June, 2021 till the date of forthcoming Annual General Meeting. In the same meeting, the Board appointed him as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2021, subject to the approval of shareholders of the Company and Central Government, if required. The Company has received a Notice under section 160 of the Companies Act, 2013 proposing his candidature as Director.

The period of office of Mr. Ayush Vardhan Singhania shall be liable for determination by way of retirement by rotation.

The proposal, for approval by shareholders, of his appointment is given in the notice convening the forthcoming Annual General Meeting at Item No. 5 as Special Business. Terms and conditions of his appointment are given in the Notice read with its explanatory statement.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Pradeep Kumar Rustagi (DIN 00879345) 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, Mr. Ayush Vardhan Singhania, Whole-time Director and Mr. Diwaker Dinesh, Head-Legal & 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 Act and rules made thereunder.

There was no change in the Key Managerial Personnel of the Company during the year 2020-21.

DECLARATION OF INDEPENDENCE

The Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under Section 149 of the Act read with Regulation 16 of the SEBI (LODR) Regulations, 2015 and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the

SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

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, is the Statutory Auditors of the Company appointed by the Shareholders in their Annual General Meeting (AGM) held on 4th September, 2017, to hold office from 31st AGM till 36th AGM.

The Auditors' Report for the year under review read together with Annexures do not contain any qualification, reservation or adverse remark and do not call for any explanation/clarification.

Cost Audit

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

At the recommendation of the Audit Committee, the Board has re-appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditor for the financial year 2021-22. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, 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 2021-22. A resolution seeking your ratification of the remuneration of M/s. R. J. Goel & Co. for financial year 2021-22, forms part of the Notice convening the forthcoming Annual General Meeting.

Secretarial Audit

In terms of Section 204 of the Act, M/s Dhananjay Shukla & Associates, Company Secretaries, has conducted secretarial audit of the Company for the financial year ended 31st March, 2021. 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 Secretarial auditor in the report for the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your company, 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 2021, 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the accounts of the Company for the financial year ended 31st March 2021 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.

SUBSIDIARY

During the year 2020-21, the wholly-owned subsidiary was incorporated on 21st July, 2020, namely, Ester Filmtech Limited. Ester Filmtech Limited is setting up a new BOPET Film Line in the state of Telangana.

The consolidated financial statements of the Company for the financial year ended 31st March 2021 have been prepared in accordance with the provisions of the Act, SEBI (LODR) Regulations, 2015 and the applicable Accounting Standards. The audited consolidated financial statements, together with the Auditors' Report, and Form AOC-1 form a part of the Annual Report. Pursuant to the provisions of Section 136 of the Act the standalone financial statements, the consolidated financial statements, Auditors' Report along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company. During the financial year under review, no Company is ceased to be Company's subsidiary. The Company does not have any Joint Venture or associate.

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, laws and statutes. Internal Controls in your company have been designed & implemented in such a manner that it provides reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds, errors & misappropriations

- Accuracy and completeness of the accounting data & records
- IT security controls
- System, policies, practices & procedures adopted for adequate and fair financial reporting
- Timely and accurate preparation of reliable financial information & reports.

During the year under review, few internal controls have been modified to align with change in scenario.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 that continue to apply under Section 133 and other applicable provisions, if any, of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India.

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

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

The Company uses an ERP (SAP ECC 6.0 EHP-5) which is supplemented by internal controls framework to ensure reliable and timely financial reporting.

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 2020-21, there was no change in the Capital of the Company.

EMPLOYEES STOCK OPTION

During the year 2020-21, the Nomination and Remuneration Committee and Board had approved the Employee Stock Option Scheme, namely, **ESTER EMPLOYEES STOCK OPTION PLAN-2021**, in its meeting held on 25th February, 2021, followed by approval of shareholders in the Extra-Ordinary General Meeting held on 26th March, 2021.

The Board granted 248179 stock Options to eligible employees under **ESTER EMPLOYEES STOCK OPTION PLAN-2021**, in its meeting held on 1st April, 2021.

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 2021-22.

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT-9 is 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 Act are provided in Notes 7 and 8 to financial statements. During the year under review, the Board had approved the execution of Corporate Guarantee in favour of Oldenburgische Landesbank Aktiengesellschaft (OLB Bank) for an amount not exceeding EUR 30,278,750 as security for extending External Commercial Borrowing to Ester Filmtech Limited, wholly owned Subsidiary of the Company as covered under Section 186 of the Act.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act 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. Annual Report on CSR activities containing brief outline of the CSR Policy of the Company along with total amount spent on CSR and other details is set out in **"Annexure–B"** 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, Chairperson of Board as a whole and Committees of the Board.

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

The following evaluation process has been adopted by the Company–

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

The process of performance evaluation was based on the criteria prescribed in the Policy on Performance Evaluation. 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 Act. 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 the Annual 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 Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in "**Annexure-C**" 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 forthcoming Annual General Meeting.

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 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.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (second amendments) Regulations, 2021 vide notification No. SEBI/LAD-NRO/GN/2021/22 dated 5 May, 2021, the requirement of constitution of Risk Management Committee has become applicable to Top 1000 listed entities based on market capitalization as at the end of immediate previous financial year.

Accordingly the Company has constituted the Risk Management Committee of the Company. The constitution and the terms and reference of the Committee are given in Corporate Governance Report which forms part of this Annual 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-D**" pursuant to Section 134 of the Act 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 36 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 Act read with the Companies (Accounts) Rules, 2014 is set out in the **"Annexure–E"** forming part of this report.

VIGIL MECHANISM

The Company has a Vigil Mechanism/Whistle Blower Policy with a view to provide a mechanism for employees of the Company to raise concerns of suspected frauds, instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/ regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. The 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's 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

There was no incident of sexual harassment reported and pending for investigation during the financial year 2020-21. 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.

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.

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: 9th August 2021
Place: Gurugram

ANNEXURE - A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2021
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification (Due to Covid 19 Pandemic impact, the required documents were obtained in electronic mode and accordingly verification was done), 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 2021 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 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(No event took place under this Regulation during Audit period)**;
    d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
    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 **(Not applicable to the Company)**;
    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, 2018 **(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-262308 Distt.: Udham Singh Nagar, Uttarakhand. As informed and confirmed by the management of the company, following are the laws specifically applicable to the company:-
    a. The Indian Boiler Act, 1923 and regulations made thereunder;
    b. The Legal Metrology Act, 2009 and rules made thereunder;
    c. The Petroleum Act, 1934 and rules & regulations made thereunder.

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

I. Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2);
II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Listing Agreements as entered by the company with the Stock Exchanges.

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

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. Ms. Padmaja Shailen Ruparel was appointed as the Independent Woman Director for the term of 5 (Five) years w.e.f 1st April 2020, Mr. Arvind Singhania was re-appointed as Managing Director (designated as Chairman & CEO) for the term of 3 (Three) years w.e.f 1st April 2020 & Mr. Pradeep Kumar Rustagi was re-appointed as Whole Time Director (designated as Executive Director & CFO) for the term of 3 (Three) years w.e.f 1st April 2020, at the Annual General Meeting of the company held on 28th August 2020.

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

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

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

We further report that, 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 except reported as hereunder:-

1. The Company has incorporated a Wholly Owned Subsidiary (WOS) on 21st July 2020 namely as "Ester Filmtech Limited" pursuant to resolution passed in the Meeting of the Board of Directors the Company held on 5th March 2020.
2. The Board of Directors of the company has passed resolution for additional investment/loan in its wholly owned subsidiary company "M/s Ester Filmtech Limited" for BOPET film line project in Telangana, in the meeting held on 26th October 2020 in addition to the limits of Rs.150 Crores for investment and Loan approved by the Board in its meeting held on 5th March 2020 .
3. The Company has declared final dividend of Rs. 2.50 per share i.e. 50% on 8,33,93,759 Equity Shares of face value of Rs. 5.00 each for the Financial Year 2019-20 in its Annual General Meeting held on 28th August 2020.
4. The Company has declared interim dividend of Rs. 1.50 per share i.e. 30% on 8,33,93,759 Equity Shares of face value of Rs. 5.00 each for the Financial Year 2020-21 in its Board Meeting held on 26th October 2020.
5. The Company has passed Special resolution in its Extraordinary General Meeting held on 26th March 2021 approving the Employee Stock Option Plan (ESOP) Scheme for grant of options to the Eligible Employees/ Directors of the Company & its subsidiaries.
6. Pursuant to the Section 179 and other applicable provisions of the Companies Act, 2013 and other applicable laws the Board of Directors of the company has approved the execution of Corporate Guarantee for an amount upto EUR 30,278,750 in favour of the OLB Bank (Lender), Germany for extending External Commercial Borrowings (ECB) Facility and or any increase in ECB Facility to Ester Filmtech Limited, wholly owned Subsidiary of the Company, in its Meeting held on 25th Feb 2021.
7. Pursuant to Section 188 of the Companies Act, 2013 ,the Company, in its Annual General Meeting held on 28th Aug 2020, has re-appointed Mr. Ayush Vardhan Singhania (son of Mr. Arvind Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director) to hold office as Head-Marketing & Business Development for a further period of Five years w.e.f 1st October 2020.

For Dhananjay Shukla & Associates
Company Secretaries

Sd/-

Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
UDIN: F005886C000754304

Date: 9th August 2021
Place: Gurugram

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

Enclosure: Annexure-A

'Annexure-A to this Report'

To,

The Members,

M/s Ester Industries Limited

(CIN: L24111UR1985PLC015063)

Regd.Office: Sohan Nagar, P.O. Charubeta,
Khatima - 262308, Distt. Udham Singh Nagar
Uttarakhand, India

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the company. Our Report is based on the online verification of the documents/ records electronically supplied by the company, its officers and Authorised representatives and information available on the websites of the company, Bombay Stock Exchange /National Stock Exchange/Ministry of Corporate Affairs. Physical verification of the records/documents could not be carried out due to the Covid-19 pandemic. Further the verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.
4. 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 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
UDIN: F005886C000754304

Date: 9th August 2021
Place: Gurugram

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the company's CSR policy:

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

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

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

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:

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

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

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

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

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

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

S. No.	Financial year	Amount available for set-off from preceding financial years (In Rs.)	Amount required to be set-off for the financial year, if any (In Rs)
NIL			

6. Average net profit of the company as per section 135(5).

Average net profit of the company for last three financial years (2017-18, 2018-19 and 2019-20) is Rs. 6489.07 Lacs.

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs. 129.78 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) - Rs. 129.78 Lacs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,30,04,614/-	NOT APPLICABLE				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of Implementation -Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	There is no ongoing project for the financial year 2020-21.											

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount Spent for the Project (in Rs.)	Mode of Implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration No. *
1	Providing education, free accomodation, food, medical facilities to orphans, destitute and disadvantaged children	Promoting Education and Health care including preventive health care, Eradicating hunger, poverty malnutrition	No	PAN India		1,14,05,000	No	Sri Venkateshwara Sarva Sreyas Trust	NA
2	Maintenance of Toilets constructed by the Company in a school	Promoting Education and Health care including preventive health care	Yes	Uttara-khand	Udham Singh Nagar	79,440	Yes	NA	NA
3	Education to under served and less privileged children	Promoting Education	No	Uttar Pradesh	Lucknow	7,50,000	No	Nav Srijan Education Society	NA
4	Distribution of Nutrition meals and to provide equipments & other supplies to hospitals	Promoting Health care including preventive health care, Eradicating hunger, poverty malnutrition	No	PAN India		1,00,000	No	Shrimad Rajchandra	NA
5	Supporting and promoting education for disadvantaged and under privileged children	Promoting education	No	PAN India		2,50,000	No	Sri Aurobindo Ashram	NA
6	Construction of infrastructure and other amenities in school.	Promoting Education and Health care including preventive health care	No	Delhi	Delhi	49,000	Yes	NA	NA
7	Distribution of mask, sanitizer and hospital items	Health care including preventive health care	Yes	Uttara-khand	Udham Singh Nagar	1,55,500	Yes	NA	NA
8	Distribution of food to poor during lockdown	Eradicating hunger	Yes	Uttara-khand	Udham Singh Nagar	2,15,674	Yes	NA	NA
	Total					**1,30,04,614**			

** The provision of having CSR registration no. is applicable w.e.f. 1st April, 2021*

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable – NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs. 130.04 Lacs

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

Sl. No.	Particular	Amount (Rs. in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	129.78
(ii)	Total amount spent for the Financial Year	130.04
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.26
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.26

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	Nil						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.	Nil							

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

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). NA

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

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-
Arvind Singhania
Chairman & CEO

Place : Dubai
Date : 18th May, 2021

Sd/-
M. S. Ramachandran
Chairman of the Committee

Place : Chennai

ANNEXURE C

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[1]
Executive Director		
Mr. Arvind Singhania Chairman & CEO	391:1	9%
Mr. Pradeep Kumar Rustagi Executive Director & CFO	27:1	(13%)
Non-Executive Director		
Mr. M S Ramachandran Independent Director	3:1	No change
Mr. Sandeep Dinodia Independent Director	3:1	No change
Mr. P S Dasgupta Independent Director	3:1	No change
Mr. Ashok Kumar Newatia Independent Director	3:1	No change
Dr. Anand Chand Burman Independent Director	3:1	No change
Mrs. Padmaja Shailen Ruparel[2] Independent Director	3:1	-
Mrs. Archana Singhania Non-Independent Director	3:1	No change

Note - [1]Increase in remuneration of the Company Secretary - 32%. During the financial year 2020-21, the Non-Executive Directors have been paid commission and sitting fee within the limits prescribed under the Companies Act, 2013. The percentage increase in remuneration of Non-Executive Directors has been calculated based on the increase in commission. There is no increase in sitting fee for per meeting of the Board/Committee. Details of commission and sitting fee paid to Non-Executive Director have been given in Corporate Governance Report of the Company.
[2] Mrs. Padmaja Shailen Ruparel was appointed w.e.f. 1st April, 2020, therefore percentage increase in remuneration in comparison to last year i.e. 2018--19 cannot be given.

II. The percentage increase in the median remuneration of employees in the financial year – 11%

III. The number of permanent employees on the rolls of company – 520 employees

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 40% while there was a decrease of 2% in average managerial remuneration. There are various factors to ensure fair remuneration to the employee and managerial personnel including industry trend, individual and company performance, profitability of the Company, existing remuneration, increase given in past etc.

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

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 : 9th August 2021
Place : Gurugram

ANNEXURE - D

FORM AOC – 2

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

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

1.	**Details of contracts or arrangements or transactions not at arm's length basis:**	
	a) Name(s) of the related party and nature of relationship	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) 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	

Sd/-
Arvind Singhania
Chairman & CEO

Date : 9th August 2021
Place : Gurugram

ANNEXURE – E

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:

- Installed new Shell & Tube type Heat Exchanger in HTM Cooler for SSP-8 for reduction of cool off run time resulting into savings of 30660 units per annum (Rs. 1.87 Lacs).
- Installed a special stand-alone chute by-passing manual transfer of chips for MB03 R3 production – Pre Conveying time reduced from 3 hours to 1.5 hours (Reduction in overall Run Time of Twin Lobe Blower & Rotary Air Lock Feeder). Achieved total savings of about 71175 units per annum (Rs. 4.34 Lacs).
- Replaced 35 Boundary / Street CFL Lights (85 Watt) with LED Lights (36 Watt). Achieved total savings of about 5515 units per annum (Rs. 0.37 Lacs).

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

As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2020-21 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. 7585.54 Lacs** on Power & Fuel during the FY 2020-21, only **Rs. 1438.19 Lacs** is on fossil fuels, HSD & Furnace Oil.

3. The capital investment on energy conservation during 2020-21:

During the year under review, Company has incurred capital investment of about **Rs. 5.60 Lacs** on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

a) Automation up-gradation in Husk Fired Boiler carried out for the ease of boiler operations, efficiency improvement & reduction in breakdowns.
b) PC has been up-graded in Metalizer #1. Existing system has become obsolete & spare parts are not available.
c) Installed one 500 KVA UPS for un-interrupted power supply to Metalizer #1 for enhancing production & reducing breakdowns.
d) Installed one new DM Water Plant of 10 cubic meters per hour as DM water consumption has increased in Batch Polymerisation plants due to increase in production of Innovative PBT.
e) Constructed new shed for installation of new DM water plant

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

Development of new products, improved productivity, operational efficiency and 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. 746.60 lacs
Expenditure incurred on R & D for production of aforesaid products	– Rs. 574.08 lacs
Net Revenue earned from R & D activities	– Rs. 172.52 lacs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(Rs. in Lacs)

		2020-21	**2019-20**
1.	Earnings – FOB Value of Exports	26,660.39	23,806.37
2.	Outgo – CIF Value of Imports	17,724.92	14,611.31

Sd/-
Arvind Singhania
Chairman & CEO

Date : 9th August 2021
Place : Gurugram

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The year gone by proved to be an exceptional year for the global economy in the wake of COVID-19 pandemic. The pandemic led to severe loss of lives and livelihoods resulting in decline in incomes, increase in unemployment and financial distress in many businesses. The global economy which was already decelerating prior to the pandemic, suffered a massive shock and contracted by 3.3% in 2020, the sharpest drop in many decades. The depressed economic conditions and deterioration of business and consumer sentiments prompted a series of interventions by government across the globe. However, repeated waves of virus outbreaks impeded the recovery momentum necessitating the re-imposition of mobility restrictions and containment measures which impacted the normalization process and slowed down the pace of economic recovery.

The pandemic continues to impact the world with resurgence of infections, at the same time, multiple vaccines across the globe are promising to contain the severity and frequency of infections. As per IMF estimates, aggregate global economic growth is expected to record a sharp rise of 6% in 2021. While many economies are on a path to recovery on the back of measures towards containment, vaccination, stimulus package etc., the outlook remains subjected to downside risks amid heightened uncertainty around the timing and shape of the recovery trajectory.

The Indian economy faced its worst crisis ever, de-growing by 7.3% during the year; the first quarter of the year was particularly impacted with GDP contracting by 23.9%. Indian economy returned to growth in Q3 however this trajectory was interrupted by deadly second wave causing a huge humanitarian crisis in the country, making India the second highest in the world in terms of number of cases.

According to IMF, Indian economy is projected to grow by 9.5% in 2021 owing to gradual unlocking and the anticipated vaccine-powered recovery in the 2nd half of 2021. While most industries faced a challenging operating environment, the packaging industry witnessed a boost in demand driven by greater demand for packed products and pharmaceutical packaging. For ensuring continuity of essential goods supply in the country, we ran our plant throughout the lockdown period supporting global supply chain of our customers.

Despite all the challenges, your company has been able to perform very well in FY 20-21. We successfully navigated through the difficult time and delivered our best financial performance till date. Your company earned a net profit after tax of INR 142.08 crores in FY 20-21, 42% higher as compared to the previous year. The rise in profitability was majorly due to improved performance of Polyester Film on account of higher margins and Engineering Plastics on account of higher volume as well as significantly better margins. The Specialty Polymer Business was affected by the COVID-19 pandemic during FY 20-21 but it has shown tremendous recovery since Q4 FY 20-21 and we expect this momentum to continue forward.

Operational Performance

Business Segment: Polyester Films Business

Flexible packaging is the most economical and environment friendly method to package, preserve and distribute food, beverages, consumables, pharmaceuticals and other products that need extended shelf life. PET is a clear, strong and lightweight plastic that is widely used to produce a wide variety of packaging materials for food products, personal and home care, pharmaceuticals as well as other consumables and industrial goods. PET is a popular choice due to its high tensile strength, chemical & dimensional stability, transparency, reflectivity as well as gas and aroma barrier properties. These properties enable longer shelf life, making PET the preferred product to protect F&B products and pharmaceuticals. Its ability to enhance shelf life of food products enables PET to contribute towards keeping food price inflation in check. Health and safety boards from across the globe have approved PET as a safe material to be used in the food and beverage industry. Historically the market of the PET film industry comprises of both thin (below 50 microns) and thick films (above 50 microns)

Industry Overview

Global Market: Demand

The global BOPET film market demand (including thin and thick films) has grown by 6.8% per annum over the last five years. The demand has reached just over 5.3 million tonnes in 2019, resulting in a $11.3 billion industry. Asia Pacific is the largest market for BOPET films with China and India being the driving forces in the global BOPET film market. Thin films used in flexible packaging applications continue to be the main driver of volume growth.

Global BOPET thick film market	2014 (KT)	2019 (KT)	2024 (KT)
Capacity	1261.5	1732.0	1938.5
Demand	920.9	1164.5	1280.2
Demand by thick film type			
Electrical/Electronic	587.0	790.4	902.1
Imaging & Graphics	132.7	112.1	89.6
Other Industrial	115.4	146.5	163.9
Packaging (including Metallising)	85.8	115.5	124.6
Total	920.9	1164.5	1280.2

Global BOPET thin film market	2014 (KT)	2019 (KT)	2024 (KT)
Capacity	4304.4	5191.9	6726.0
Demand	2893.5	4126.4	5351.1
Demand by thin film type			
Electrical/Electronic	219.0	328.2	381.2
Other Industrial	587.6	732.5	852.0
Packaging (including Metallising)	2086.9	3065.8	4117.9
Total	2893.5	4126.4	5351.1

The global thin film market is currently balanced in terms of supply and demand. Over the next five years, however, we expect additional thin film capacity will be needed to satisfy demand growth, driven by the flexible packaging sector.

As per Wood Mackenzie*, Global demand for thin BOPET film is expected to grow by 5.3% per annum over the next five years. BOPET film used in flexible packaging applications will continue to be the key end use sector, accounting for nearly 60% of global consumption, and drive demand over the next five years.

*BOPET Film Global Supply Demand Report, May 2020

Global Market: Capacity

The current capacity of BOPET film is around 7 million tonnes with utilization rate at 77%. As per Woodmac, new capacity expansion (Thin films) of 1.5 million tonnes has been planned for next 5 years and there are some more expansions which are likely to come. These expansions may put pressure on the capacity utilization levels in the short term.

Indian Market

The domestic demand continued to grow at a CAGR of about 10-12 percent per annum over the last five years. The increased demand was driven by improved standards of living, rising per capita consumption of plastic and urbanization. We expect this growth momentum to continue in line with the trend witnessed globally. However, with commissioning of the new capacities in second half of the current year, the demand supply dynamics may get disrupted for a short to medium term.

The total production capacity of thin BOPET film in India at the end of 2020-21 was at about 750 KT per annum* which is expected to rise to 870 KT per annum* by 2021-22. The domestic demand in 2020-21 was approximately 500KT which is expected to increase to 600 KT this year.

*as per internal estimates

Performance Overview (FY 2020-21)

The sales volume of the BOPET film business in FY20-21 was 56,336 MT as compared to 58,033 MT in FY19-20. The total sales turnover recorded a decline by 2% as compared to the previous year mainly due to COVID-19 lockdowns and restrictions. The EBIT margin increased to 30% as compared to 22.7% last year due to margin improvement, cost rationalization initiatives, production and process efficiencies contributing to the bottom line. Higher proportion of value added and specialty products have positively contributed to the success of the business in recent years as well.

Ester is committed to increase the proportion of value added & specialty products in overall product mix driven by innovation and R&D efforts. There has been a significant improvement in product mix with higher share of value-added products. During last financial year, we added (1) range of barrier films, (2) thermoformable film, (3) high heat-seal strength film, (4) flame retardant film, (5) sealable peelable film, (6) release coated film etc. Ester has continued its efforts to build strong and long-term partnership with key global users focusing on commercialization of several prestigious projects.

Ester is continuously focusing on its sustainability efforts and is proud to announce that we now offer full range of BOPET Films made from Post-consumer recycled material with recycled content going up to 100 percent.

Outlook

As mentioned, the demand for BOPET film in India continues to grow at approximately 10-12 percent with global demand for Thin PET films is expected to grow at a CAGR of about 5-6% per annum over the next few years. There are planned capacity addition to the tune of 1.7 million MT over next 2-3 years however the risk of COVID-19 outbreak continues to weigh on the timelines of these capacities.

With possibility of demand supply dynamics getting disrupted in the second half of the current year, the margins in the business may get affected on a short to medium term. The industry could see closure of some old lines which cannot compete with the new high speed and cost-efficient lines. Ester has tried to offset the impact of this dynamics to some extent by improving the share of value-added products in the product mix. Ester commissioned its Off-Line Coater during the last year and we are on our track to increase the share of our value-added products. Ester is strengthening its capability by commissioning a food grade dedicated rPET extruder for addressing the need of global brands who are looking to reduce their carbon footprint by use of recycled plastics.

Ester Industries through its Wholly Owned Subsidiary namely Ester Filmtech Limited has also announced a green-field expansion of its Polyester film business by setting up a new film line of 48,000 MTPA capacity last year. Financial closure of the project has been achieved. Ester is on track of implementing the project in the State of Telangana and it is expected to be completed by October 2022. With this expansion, Ester will be able to cater to Southern India market and will be able to reduce its lead time for export customers.

Ester remains committed to focus on its strategy towards

- Higher scale and cost-efficient operations
- Expanding value added and specialty products
- Diversifying into sustainable solutions
- Incorporating industry best practices for continuous improvement and better profitability
- Focusing on Employee engagement and capability enhancement

Business Segment: 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 – 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 90 Bn in 2020 (*based on various industry reports*), is slated to grow at a CAGR of ~6% over the next 5 years. COVID-19 variants and waves in various countries are expected to affect the global economy in the similar way as in 2020 i.e., by directly impacting production and demand, by creating supply chain disruptions. In the year 2020-21, all these disruptions have resulted in the unprecedented price increase in almost all the polymers. The engineering plastics market is likely to be affected by all of these factors in FY 2021-22.

The automotive segment – the largest end-use segment – saw a weak global demand in 2020 due to lower H1 numbers (impact of Covid-19 peak across the world) and shortage of auto electronic components in H2. The domestic automotive segment witnessed an overall sales declining by ~14%. The auto components industry was adversely impacted by upsurge in raw material prices and unprecedented supply chain disruptions due to unavailability of containers and vessels which has resulted in sea freights soaring through the roof. Indian auto industry Segment-wise sales growth is tabulated below;

Segment	Growth in FY 20-21
Passenger Vehicles	-9.3%
Commercial Vehicles	-22.2%
Two-Wheelers	-12.1%
Three-Wheelers	-46.5%
Overall	**-13.6%**

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

The electrical industry – comprising of the electrical equipment and lighting industries – contributes towards the second largest customer segment for engineering plastics after Auto. Within the electrical equipment industry, the switchgear and energy meters industries account for the major EP demand.

Domestic switch gear industries performance in general in 2020-21 was more or less at par with 2019-20. Loss of Q1 sales due to lockdown was covered up in Q3 and Q4 as the demand surged during this period. India represents large untapped opportunity with lower penetration, higher unorganized sector & growing electrification. This trend is expected to continue thereby showing a strong growth in the coming years.

According to various market research reports on switchgear market size is projected to grow at a CAGR of 6.7% during 2020-2026. Increasing foreign direct investment in power sector and booming infrastructure development especially in energy sector are the key factors driving the market of switchgear in India. Moreover, increasing infrastructure advancement including smart cities and rising number of solar power plants would bode well for the demand for switchgears during the forecast period. Low voltage switchgear acquired the largest revenue share in the overall India switchgear market

Indian OFC market demand grew by about 15% in 2020-21 as compared to 2019-20 due to tenders from BSNL and planning for 5G implementation by various private players. Work from home has also added to this demand as the need for better connectivity grew faster. As per the various researches the OFC market demand in India is expected to grow by about 20% in next 3 to 4 years.

Key drivers for Industry Growth

- Increased need for personal mobility many people have preferred to use their own vehicles after COVID-19.
- Upward trend in the demand for Electric Vehicles, many countries have pushed various incentives for the same.
- Regulatory pressure driving demand for recycled/recyclable materials in developed countries.
- Electrification programs such as "24x7 Power for All" expected to fuel growth in the India switchgear market.
- Enhanced usage of high performance plastics with increasing application in the Medical industry
- 5G network deployment to support increased data traffic and emerging technologies such as 5G, IoT, Smart City & AI expected to drive OFC demand. Developing economies like India, with low FTTH penetration, provide greater potential. Data demand has seen a surge as lot of people started working from home due to Covid-19 surge.

While overall demand in the few months of the current year may get impacted by the prevailing COVID scenario, the above-mentioned factors are expected to fuel demand growth in the post-COVID period.

Performance Overview

FY 2020-21 was a very good year for Ester's Engineering Plastics SBU. In the domestic market, the automotive segment declined by ~14% but the Electrical industry remained flat and Optical Fiber Cable industry grew by 15%. Ester's Engineering Plastics SBU registered growth of 27.5% (*23% in volumetric terms*). The growth in value terms was on account of 5% improvement in unit selling price (*compared to the previous year*). While demand from the Automotive segment remained week in the major part of H1(2020-21) but it picked up in H2 of the year, the Electrical and OFC segments saw some recovery from Q2 of FY 2020-21.

Sales volumes of EP compounds in all industrial segments grew on new approvals and acquisition of new customers. The Automotive segment of the industry which is one of the biggest market segment saw a volume growth of 36% on a lower base, followed by the Electrical segment which saw a volume growth of 14%. Volumetric sales in the Optical Fiber Cable industry also registered a growth of 31%.

While overall volumes into the domestic market registered growth of ~21%. Exports volumes grew by~ 58% albeit on a much lower base.

Ester's EP business has registered a modest growth, with the 5-year CAGR (FY 16 to FY 21) at 5.7% and 4.2% in value and volumetric terms respectively.

Key Initiatives for Sustainable Long-term Business

- Build on relationship with OEMs & Tier-1/2 customers and secure approvals
- Work towards enhanced profitability
  - Productivity/efficiency improvement
  - Variable cost reduction initiatives
  - Enhanced customer / product mix
- Continued focus on expanding global footprint
- Shift Location in western part of India (nearer to the port) to save on transit time and freight cost of incoming material. After CAPEX approval, the work on this project has already been started.
- Continue to focus on new product/application development projects
- Enhance R&D and EP compounding capability aligned with technological developments and changing customer needs like paint free solutions etc.
- Explore opportunities for strategic alliances

Business Segment: Specialty Polymer Business

Overview

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

Ester has created a unique position for itself by developing the technology of all the products in-house and protected by global patents. The journey for Specialty Polymer business began almost a decade ago and we learnt the hard way that the gestation period of technology business is much longer than expected. The upside however is that, once the product and technology is accepted by the customers/ end users, the results are extremely profitable and long lasting. Over a period of time, Ester have filed 23 patent applications out of which 11 patents have been granted and others are under prosecution. The business was affected by COVID in the last financial year but the last quarter of FY 20-21 showed a substantial recovery in the fortunes of the business with volumes picking up across the board.

Performance Overview (FY 2020-21)

Unlike the Polyester film and Engineering Plastics business, this year was badly impacted by COVID and as a result, the performance was worse than the previous year. We were able to achieve a sales revenue of Rs. 59 crores in FY 20-21 against Rs. 73 crores last year and EBIT margin of Rs. 14 crores in FY 20-21 against Rs. 30.4 crores last year.

The deepest impact came from a severe volume impact on our marquee product Stain resistant master batch MB 03. The demand for the product was affected by the pandemic and it suffered a drop in off-take in first two quarters of the year, before gathering momentum in Q3 FY 20-21. Despite the COVID-19 Pandemic, our product Innovative Polybutylene Terephthalate (PBT) continued its momentum and saw a growth in volume on the expected lines. Our other products like low melt polymer, deep dyeable master batch and cationic dyeable master batch has made substantial progress and we expect commercial volumes to rise in the current year.

Outlook

The recovery seen in the last quarter of FY 20-21 continued with increased momentum and we are extremely bullish about the fortunes of this SBU going forward. We expect a tremendous jump in volumes, turnover and profitability for FY 21-22.

MB07 deep-dyeable master batch: After having worked on this product for last 3 years, this product has finally found techno commercial acceptability. Commercial volumes has already started moving and we expect the product to contribute substantially to Specialty Polymer business going forward.

Innovative Polybutylene Terephthalate (PBT): Catering largely to the consumer electronics industry, it has witnessed significant sales growth in last few years and we expect the volumes to continue to increase year after year.

Low Melt Polymer: It continued to go through various stages of technical approval and we are happy to inform that significant headway has been made in this product as well. This product was specifically designed to achieve the sustainability goals of our customers by making their products fully recyclable. This is in line with your company's goal of contributing towards circular economy. The product demand outlook from the customers looks very strong and we are sure that significant volumes of this product will contribute to the top line and the bottom line of the business in next 2-3 years.

Cationic dyeable master batch: Substantial progress has been made in this product and we expect regular commercial volumes to commence in the current year with significant volumes in the coming years.

Ester committed to its sustainability agenda by committing a dedicated facility for producing recycled polyester for challenging applications. The commissioning of this facility got delayed due to COVID-19 related travel restrictions, the erection and commissioning work was resumed in the last quarter of FY 20-21. This facility will start to add commercial sales from the current financial year. The company is also evaluating the option of getting into recycled polyester (rPET) business largely to cater to the demand of food & beverages and textile industry. There is a tremendous scope of the recycled product in coming years as awareness of the consumers towards sustainability is increasing and consumers are preferring recycled products over regular virgin products. The demand for this product is expected to grow significantly, giving rise to a huge business opportunity going forward.

Despite the challenges faced in FY'21, the rebound witnessed in FY'22 has already given us confidence that the business will be the premier growth driver of our company going forward. Our efforts in recent times have been directed towards broadening our client base and product portfolio, enabling us to grow the business at a steady pace.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2020-21)	Quantity Produced (MT) (During 2019-20)	Growth
Polyester Chips	55170	69057	(20.11%)
Specialty Polymers	2259	2091	8.03%
PET Film – Non Metallized	57039	58235	(2.05%)
PET Film – Metallized	10549	10819	(2.50%)
Engineering Plastics	13658	11554	8.21%

	Quantity Sold (During 2020-21)	Quantity Sold (During 2019-20)	Growth
Polyester Chips	746	10418	(92.84%)
Specialty Polymers	2316	2123	9.10%
PET Film – Non Metallized	45788	47192	(2.98%)
PET Film – Metallized	10549	10840	(2.68%)
Sub Total – PET Film	***56337***	***58033***	***(2.92%)***
Engineering Plastics	13419	10910	23.00%

	Net Sales Value (Rs. in Lacs) (During 2020-21)	Net Sales Value (Rs. in Lacs) (During 2019-20)	Growth
Polyester Chips	423.05	6996.89	(93.95%)
Specialty Polymers	5999.37	7240.87	(17.15%)
PET Film – Non Metallized	55356.01	56814.19	(2.57%)
PET Film – Metallized	15910.84	16146.62	(1.46%)
Sub Total - PET Film	***71266.85***	***72960.81***	***(2.32%)***
Engineering Plastics	20512.26	16080.05	27.56%
Others	1582.39	666.20	137.52%
Total	**99783.92**	**103944.83**	**(4.00%)**
Rebates & Discounts	**1298.39**	**773.66**	
Total Net Sales	**98485.53**	**103171.17**	**(4.54%)**

	(Rs. in Lacs) (During 2020-21)	(Rs. in Lacs) (During 2019-20)	Growth
EBITDA	24375.24	19829.94	22.92%
PBT	18997.85	13856.64	37.10%
PAT	14207.77	9949.87	42.79%
Other Comprehensive Income	(24.96)	(75.52)	
Total Comprehensive Income	14182.81	9874.35	43.63%

Main factors for significant enhancement in profitability of the company are substantially improved performance of Polyester Film SBU on account of better margins and Engineering Plastics SBU on account of higher volume as well as better margins.

Despite increase in operational revenue of Engineering Plastics SBU from Rs. 160.46 crores to Rs. 204.58 crores, both on account of higher volume and selling price, revenue from operations at Company level was lower by 4.5% due to significant drop in sales of Polyester Chips owing to non – availability of adequate heating capacity consequent to fire in Primary Heater #5 on 19th March 2020. Engineering Plastics business has had one of its best performances till date on the back of unprecedented margins.

The Company achieved an improvement in margin in Polyester Film SBU on account of higher volume of Value Added & Specialty Films and steady realizations despite reduction in feedstock prices.

De-growth in sales volume was 2.92% (from 58033 MT to 56337 MT) while due to reduced feedstock prices, improved margins and higher proportion of Value Added & Specialty Films, de-growth in sales value was 2.32%.

Growth in demand helped in bridging the demand supply gap, thereby contributing towards improved unit margins for the Polyester Film business. Demand for Polyester Film continues to grow at the rate of 10% - 12% (domestic) and 6%- 6.5% (global).

The profitability for the Polyester Film SBU witnessed an improvement in EBIT from Rs. 182.64 crores to Rs. 218.57 crores – EBIT margin improving from 22.7% to 30.1%.

Engineering Plastics SBU registered a growth of 27.56% in value terms (23% in volumetric terms). The higher increase in value terms was on account of ~ 4% increase in unit selling price (compared to the previous year) consequent to shortage of base polymers, steady increase in base polymer prices and improved demand scenario.

Improved market demand resulted in growth of 18.36% for the EP compounds in volumetric terms (catering to end-use segments such as automotive, electrical & electronics and appliances). Likewise, volumetric sales to the OFC segment also registered a growth of 31.47%. While overall domestic volume increased by 20.8%, exports volume grew by >58%, albeit on a smaller base.

EBIT of the EP SBU has increased multi-fold on the back of strong demand from the end-user industries & unprecedented margins. EBIT for the Engineering Plastics SBU improved from Rs. 8.63 crores to Rs. 40.65 crores – EBIT margin improving from 5.4% to 19.8%.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Outside Liabilities : Total Equity ratio stand at 0.67 as at 31st March 2021. The book value per equity share stood at Rs. 61.95

Key Financial Ratios

Particulars	2020-21	2019-20	Change %	Remarks
Debtors Turnover	7.23	8.46	15%	Variation is on account of change in customer mix & product mix
Inventory Turnover	7.97	8.76	9%	Marginal variation
Interest Coverage Ratio	10.81	6.74	60%	Due to improved margins in Film & Engineering Plastics, overall EBITDA for the Company improved. Reduction in interest cost also contributed towards improvement in the ratio.
Current Ratio	1.93	1.78	8%	Despite investment into the equity of Wholly Owned Subsidiary; on account of significant improvement in performance and retention of profits earned, the working capital accounts were underutilized.
Debt Equity Ratio	0.67	0.69	3%	Marginal variation
Operating Profit Margin (%)	20.36	15.99	27%	Due to improved margins in Film & Engineering Plastics, EBIT for the Company improved.
Net Profit Margin (%)	14.43	9.64	50%	Due to improved margins in Film & Engineering Plastics, PAT for the Company improved.
Return on Net Worth (%)	33.63	30.83	9%	Due to improved margins in Film & Engineering Plastics, PAT for the Company improved.

Detailed explanation of ratios

(i) Debtors Turnover

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

(ii) Inventory Turnover

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

(iii) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing EBIT by finance cost

(iv) Current Ratio

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

(v) Debt Equity Ratio

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

(vi) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by sales turnover.

(vii) Net Profit Margin (%)

The Net Profit Margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing profit for the year by sales turnover.

(viii) Return on Net Worth (%)

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed. Capital employed is total equity less intangible assets, capital redemption reserve and capital reserve.

Risk Management

In Ester, Audit Committee reviews and evaluates the identified risks, their probability of occurrence and impact. It is understood that risk is an integral part of any business. The aim of the Audit Committee is to detail the objectives and principles of risk management along with an overview of the risk management process and related roles and responsibilities. The framework covers inter alia process, governance and execution of the risk management plans. The risk management system has laid down following steps – identification of risks that matter, assessment of impact of identified risks, prioritization of risks with high impact, developing & monitoring mitigation plan. 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

Last year proved to be one of the most challenging years for everyone, affecting the two most important aspects of life: health and work. Everyone tried their best to adapt to the new normal and keep the ball rolling during the pandemic.

Amidst the chaos, the human capital team took a three-way approach. We stepped up, stabilized and strived to achieve the corporate and personnel objectives, while remaining humane in a technology-driven world.

During the crisis, all personnel 'stepped up' to the challenge of business continuity and adapted themselves to both work from home and on-site while maintaining adequate safety measures. The HR & Admin team worked closely with the IT team and the business units to set-up supporting infrastructure to operate across geographies.

The health and safety of all stakeholders remained a key priority to the company. The team undertook numerous initiatives to maintain the safety of the employees by organizing vaccination camps, regular health monitoring and free consultation sessions by empaneled doctors. The senior management also maintained regular communication & engagement with the employees at all levels to further boost their morale.

Despite the challenging environment, we continued to prepare for our future endeavors and conducted recruitment drives for our new manufacturing unit in Hyderabad. Simultaneously, the team is also working on redefining/reappraising the organizational structure, enhancing people processes (performance management, manpower planning, recruitment, communications and training) and adopting new technologies that will prepare us for a better future.

Lastly and aptly, we must remind ourselves of Charles Darwin's quote: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change." We at Ester, are set to adapt to the changing environment.

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. Integrity and Transparency are key to our Corporate Governance practices to ensure that we retain the trust of our stakeholders at all the times.

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

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

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

In Ester, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

1. Board of Directors

The Board of the Company is constituted in compliance with the Companies Act, 2013, Securities Exchange Board of India (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 (LODR) 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.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in these SEBI (LODR) Regulations, 2015 and are independent of the management.

Composition of the Board

Category	Name of Directors
Non- Independent Directors	**Executive Directors** Mr. Arvind Singhania, Chairman & CEO (Promoter Category)[1] Mr. Pradeep Kumar Rustagi, Executive Director & CFO Mr. Ayush Vardhan Singhania, Whole-time Director (Promoter Category)[1&2] **Non- Executive Director** Mrs. Archana Singhania (Promoter Category)[1]
Independent Directors	Mr. M. S. Ramachandran Mr. Ashok Kumar Newatia Dr. Anand Chand Burman Mr. P. S. Dasgupta Mr. Sandeep Dinodia Mrs. Padmaja Shailen Ruparel

Note – *1. Mrs. Archana Singhania is wife of Mr. Arvind Singhania and Mr. Ayush Vardhan Singhania is son of Mrs. Archana Singhania & 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*

2. Mr. Ayush Vardhan Singhania was appointed as Whole-time Director w.e.f. 1st June, 2021 subject to approval of shareholders in forthcoming Annual General Meeting.

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. 6 (Six) Board Meetings were held during the year 2020-21 on 17th June, 2020, 15th July, 2020, 5th August, 2020, 26th October, 2020, 1st February, 2021 and 25th February, 2021. Last Annual General Meeting (AGM) of the Company was held on 28th August, 2020.

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	6	Yes	3	1	None	None

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. Ashok Kumar Newatia[3]	Independent Director	6	Yes	None	None	None	None
Mr. M S Ramachandran[3]	Independent Director	6	Yes	2	1	None	None
Dr. Anand Chand Burman	Independent Director	4	No	5	None	None	None
Mr. P S Dasgupta	Independent Director	6	Yes	7	None	7	3
Mr. Sandeep Dinodia	Independent Director	6	Yes	1	None	2	1
Mrs. Padmaja Shailen Ruparel[4]	Independent Director	4	Yes	None	None	None	None
Mrs. Archana Singhania	Non- Executive Director	5	Yes	None	None	None	None
Mr. Pradeep Kumar Rustagi	Executive Director & CFO	6	Yes	None	None	None	None
Mr. Ayush Vardhan Singhania[5]	Whole-time Director	-	-	2	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.*
3. *Mr. Ashok Kumar Newatia and Mr. M S Ramachandran has attained the age of seventy-five years and a special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015 was passed by the shareholders in their meeting held on 24th September, 2018.*
4. *In the Annual General Meeting held on 28th August, 2020, the Shareholders had approved the appointment of Mrs. Padmaja Shailen Ruparel, as an Independent Director on the Board of the Company for a period of 5 (Five) years w.e.f. 1st April, 2020. Terms and conditions of the appointment of the Independent Directors are given on the website of the Company viz www.esterindustries.com.*
5. *Mr. Ayush Vardhan Singhania was appointed as Whole-time Director w.e.f. 1st June, 2021 subject to approval of shareholders in forthcoming Annual General Meeting.*

Directorship in Listed Companies (other than Ester Industries Limited) as on 31st March, 2021

S. No.	Name of the Director	Name of the Other Listed Entities	Category of Directorship
1	**Mr. Arvind Singhania**	Lemon Tree Hotels Limited	Independent Director
2	**Mr. Ashok Kumar Newatia**	NIL	NA
3	**Mr. M S Ramachandran**	Supreme Petrochem Ltd.	Independent Director
		ICICI Prudential Life Insurance Co. Ltd.	Independent Director- Chairman
4	**Dr. Anand Chand Burman**	NIL	NA
5	**Mr. P S Dasgupta**	Cummins India Ltd.	Independent Director
		Maral Overseas Ltd.	Independent Director
		Bhilwara Technical Textiles Ltd.	Independent Director
		RSWM Limited	Independent Director
		Timken India Ltd.	Independent Director
6	**Mr. Sandeep Dinodia**	The Hi-Tech Gears Limited	Independent Director
7	**Mrs. Archana Singhania**	NIL	NA
8	**Mr. Pradeep Kumar Rustagi**	NIL	NA
9	**Mrs. Padmaja Shailen Ruparel**	NIL	NA
10	**Mr. Ayush Vardhan Singhania***	NIL	NA

Note: *None of the Directors is holding directorship in more than 7 Listed entities in compliance with Regulation 17A of SEBI (LODR) Regulations, 2015.*

** Mr. Ayush Vardhan Singhania was appointed as Whole-time Director w.e.f. 1st June, 2021. He does not hold directorship in any other Listed entity.*

Key Board Skills/ Expertise/ Competence

The Board has identified the following skill set with reference to its Business and Industry which are required for our business and available with the Board:

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

Chart setting out the skills / expertise / competence of the Board of Directors

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

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 (LODR) Regulations, 2015 –

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

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 in line with the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.

The code of conduct can be accessed on Company website at the following link –

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

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 1st February, 2021 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.

Recommendation of the Committee of Board

During the financial year 2020-21, there was no such recommendation of any Committee of the Board, which was not accepted by the Board.

Certification from Company Secretary in Practice

Mr. Akash Jain, Practicing Company Secretary has issued a certificate as required under Schedule V(C) of SEBI (LODR) Regulations, 2015, confirming that none of the Directors of the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the Securities Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this Report as "**Annexure-A**"

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 finance, banking, accounts and company law matters etc.

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 along with the reason 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;
- Reviewing the utilization of loan and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- Examination of the financial statement and auditors' report thereon;
- Reviewing following information–
  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. The appointment, removal and terms of remuneration of the internal auditor
  g. 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 2020-21, the Audit Committee has met on 17th June, 2020, 15th July, 2020, 5th August, 2020, 26th October, 2020, 1st February, 2021 and 25th February, 2021.

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	6	6
Mr. M S Ramachandran	Independent Director	6	6
Mr. Ashok Kumar Newatia	Independent Director	6	6

Mr. Sandeep Dinodia, Chairman of the Committee is 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.

However, Cost Auditors could not attend the meeting when the Cost Audit Report was discussed.

Mr. Sandeep Dinodia, Chairman of the Audit Committee has attended the last Annual General Meeting held on 28th August, 2020.

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 decide as to whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- to recommend the board, all remuneration, in whatever form, payable to senior management
- to act as the Compensation Committee under SEBI (Share Based Employee Benefits) Regulations, 2014 (including amendment thereof) under Ester Employee Stock Option Scheme
- 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 2020-21, three meetings of Nomination and Remuneration Committee were held on 17th June, 2020, 1st February, 2021 and 25th February, 2021. 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	3	3
Mr. P S Dasgupta	Independent Director	3	3
Mr. Arvind Singhania	Executive Director and Promoter (Chairman & CEO)	3	3
Mr. Sandeep Dinodia*	Independent Director	2	2

**Mr. Sandeep Dinodia has been appointed as new member in the Committee as approved by the Board in its meeting held on 17th June, 2020.*

Mr. M S Ramachandran, Chairman of Nomination & Remuneration Committee, has attended the last Annual General Meeting held on 28th August, 2020.

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, Key Managerial Personnel (KMP) 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 Key Managerial Personnel and 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 makes endeavor 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. In terms of the Policy, the remuneration to Non-Executive Directors is given as Sitting Fees and profit linked commission within the limits prescribed under the Companies Act, 2013 and rules made thereunder.

The quantum of the commission of Executive Directors & Non-Executive Directors is recommended by the Nomination & Remuneration Committee on year to year basis, based on the profitability of the Company and at the recommendation of the Nomination & Remuneration Committee, the Board may decide to pay the commission to the Directors.

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

https://www.esterindustries.com/sites/default/files/Nomination%20and%20Remuneration%20Policy%20Ver%202%2017%20June%202020.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 4th September, 2017, 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 commission was paid to Non-Executive Director of the Company as per the above said approved limit of commission.

The details of commission and sitting fees paid for the year 2020-2021 to the Non-Executive Directors are given below –

(Rs. in Lacs)

Name of the Director	Commission	Sitting Fees	Total
Mr. Ashok Kumar Newatia	10.00	1.50	11.50
Mr. Sandeep Dinodia	10.00	1.40	11.40
Mr. M S Ramachandran	10.00	1.80	11.80
Mr. P S Dasgupta	10.00	0.90	10.90
Dr. Anand Chand Burman	10.00	0.40	10.40
Mrs. Archana Singhania	10.00	0.70	10.70
Mrs. Padmaja Shailen Ruparel	10.00	0.40	10.40

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fee and commission as stated above.

The Company has not given any Stock Option to any Non-Executive 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 except with the approval of shareholders in General Meeting by way of Special resolution. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole time Director in accordance with the Schedule V and other applicable provisions of the Act.

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 2020-2021, following remuneration to Executive Directors were paid/payable-

(Rs. in Lacs)

Particulars of Remuneration	Arvind Singhania Chairman & CEO	Pradeep Kumar Rustagi Executive Director & CFO
Basic Salary	144.00	40.02
Allowances & Perquisites	157.11	47.02
PF & SAF	16.56	5.60
Commission/ Performance Linked Incentive	1200.00	10.00
Total	**1517.67**	**102.64**

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

During the year 2020-2021, the Nomination and Remuneration Committee and Board had approved the Employee Stock Option Scheme, namely, **ESTER EMPLOYEES STOCK OPTION PLAN-2021**, in its meeting held on 25th February, 2021, followed by approval of shareholders in the Extra-Ordinary General Meeting held on 26th March, 2021.

The Board granted Stock Options to Mr. Pradeep Kumar Rustagi under Employee Stock Option Scheme, namely, **ESTER EMPLOYEES STOCK OPTION PLAN-2021**, in its meeting held on 1st April, 2021 as per following details:

Parameters/ Terms of Grant	Explanation
Total number of options granted	Options granted to Mr. Pradeep Kumar Rustagi – *101713* Stock Options (each Option is equivalent to one equity share, of face value of Rs. 5/- each, of the Company)
Vesting period and schedule	Vesting of the options shall take place as per the following schedule: - 10% of options shall vest at the end of a period of 1 (one) year from date of grant - 20% of options shall vest at the end of a period of 2 (two) years from date of grant - 30% of options shall vest at the end of a period of 3 (three) years from date of grant - 40% of options shall vest at the end of a period of 4 (four) years from date of grant
Exercise period	8 (Eight) years from the date of grant.

Details of Shareholding of Directors in the Company as on 31st March, 2021

Name of the Director	No. of Shares held
Mr. Arvind Singhania	150
Mr. M S Ramachandran	Nil
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
Mrs. Padmaja Shailen Ruparel	Nil
Mr. Ayush Vardhan Singhania*	1,78,033

** Mr. Ayush Vardhan Singhania was appointed as Whole-time Director w.e.f. 1st June, 2021. He does not hold directorship in any other Listed entity.*

Performance Evaluation criteria for Independent Directors:

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

- Fulfilment of the Independence criteria as specified under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015
- Participation at the Board/Committee meetings and willingness to spend time during the meeting
- Integrity and maintaining of confidentiality
- Knowledge and expertise
- Independent judgment in relation to decision making
- Understanding about roles, responsibilities and disqualification as a director, and;
- Other criteria like objective evaluation of Board's performance, unbiased opinion on various matters, compliance of Code of Conduct and Ethics, Code for Independent Directors, Insider Trading Code etc.

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

The Performance Evaluation Policy can be accessed on the Company's website at the following link:

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

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) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

During the year 9 meetings of the Committee were held on 29th June, 2020, 8th July, 2020, 17th August, 2020, 24th August, 2020, 7th October, 2020, 2nd November, 2020, 17th November, 2020, 4th January, 2021 and 1st March, 2021.

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	9	4
Mr. Arvind Singhania	Executive Director and Promoter (Chairman & CEO)	9	8
Mr. Pradeep Kumar Rustagi	Executive Director & CFO	9	9

Mr. Diwaker Dinesh, Head-Legal & Company Secretary of the Company acts as the Compliance Officer.

Mr. Ashok Kumar Newatia, Chairman of the Stakeholders' Relationship Committee had attended the last Annual General Meeting held on 28th August, 2020.

The Company has received 29 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, 2021.

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 23rd June, 2020, 18th August, 2020, 7th September, 2020, 7th October, 2020, 20th October, 2020, 3rd December, 2020 and 8th February, 2021.

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	1
Mr. Arvind Singhania	Executive Director and Promoter (Chairman & CEO)	7	7
Mr. Pradeep Kumar Rustagi	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 3 meetings were held on 17th June, 2020, 1st February, 2021 and 25th February, 2021.

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 of the Committee	Independent Director	3	3
Mr. Ashok Kumar Newatia	Independent Director	3	3
Mrs. Archana Singhania	Non-Executive Director and Promoter	3	2
Mr. Arvind Singhania	Executive Director and Promoter (Chairman & CEO)	3	3

7. Risk Management Committee

The Board has, in its meeting held on 9th August, 2021, constituted Risk Management Committee of the Company. The Composition and Terms of reference are as stated below:

Name of Members	Category
Mr. Arvind Singhania, Chairman of the Committee	Executive Director and Promoter (Chairman & CEO)
Mr. M S Ramachandran	Independent Director
Mr. P S Dasgupta	Independent Director
Mr. Sandeep Dinodia	Independent Director
Mr. Pradeep Kumar Rustagi	Executive Director & CFO
Mr. Girish Behal	Senior Executive

Terms of reference:

(1) To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company including cyber security;

(3) Monitoring and reviewing the risk management plan of the Company;

(4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(6) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(8) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8. 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
2019-20	28.08.2020	11.00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"),	1. Re-appointment of Mr. Arvind Singhania as Managing Director of the Company 2. Re-appointment of Mr. Pradeep Kumar Rustagi as Whole-Time Director of the Company 3. Re-appointment of Mr. Ayush Vardhan Singhania as Head – Marketing & Business Development
2018-19	16.09.2019	10.30 AM	Registered office -Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Re-appointment of Mr. Sandeep Dinodia as an Independent Director of the Company. 2. Alteration in Articles of Association of the Company
2017-18	24.09.2018	10.30 AM	Registered office -Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Re-appointment of Mr. Ashok Kumar Newatia as an Independent Director of the Company 2. Re-appointment of Mr. M S Ramachandran as an Independent Director of the Company 3. Re-appointment of Dr. Anand Chand Burman as an Independent Director of the Company 4. Re-appointment of Mr. Dinesh Chandra Kothari as an Independent Director of the Company 5. Re-appointment of Mr. P S Dasgupta as an Independent Director of the Company

Extra-ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2020-21	26.03.2021	11.00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"),	1. Approval of Ester Employees Stock Option Plan 2021 and grant of stock options to the Eligible Employees/ Directors of the Company under the Scheme 2. Approval for grant of stock options to the Eligible Employees/ Directors of the Company's subsidiaries under Ester Employee Stock Option Plan - 2021

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

9. Disclosures

Related Party Transactions

The Company has formulated a Policy on materiality of Related Party Transaction and dealing with Related Party Transaction.

The Policy prescribes about the transaction and their materiality where approval of the Audit Committee and Board of Directors of the Company are required. 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's website at the following link –

http://www.esterindustries.com/sites/default/files/Related_Party_Transactions_Policy%20Ver%202%2017th%20June%202020.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 2020-21, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Quarterly disclosure of the Related Party Transactions are submitted to the Audit Committee and Board of Directors of the Company. In compliance with Regulation 23 of SEBI (LODR) Regulations, 2015, half yearly disclosures of Related Party Transaction are submitted to Stock Exchanges.

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 3 years.

Risk Management System

The Audit Committee of the Company reviews and evaluates the Risk Management Systems of the Company. The Committee recommends to the Board for the matters pertaining to framing, implementing and monitoring the risk management plan, identification of the risk, mitigation plan and minimisation process time to time. The Board has the responsibility for framing, implementing and monitoring the risk management plan as per the recommendation made by the Audit Committee.

Whistle Blower policy (Policy on Vigil Mechanism)

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about actual or suspected frauds, Instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/ regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. No personnel has been denied access to the audit committee. The policy can be accessed on Company's 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.

During the year 2020-21, Ester Filmtech Limited, wholly owned subsidiary of the Company was incorporated on 21st July, 2020 under the Companies Act, 2013. Ester Filmtech Limited is unlisted Indian Public Company.

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

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

Certification in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015

Certification by Chairman & CEO and Executive Director & CFO as stipulated in the Regulation 17(8) of the SEBI (LODR) Regulations, 2015 was placed before the Board along with the financial statement for the year ended 31st March 2021, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

Statutory Auditor fee

The details of Statutory Auditors fee for financial year 2020-21 is given below –

Fee particulars	Amount (Rs. in Lacs)
Audit fee	15.00
Limited Review fee	18.00
Out of pocket expenses	0.14
Total	**33.14**

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

a) Number of Complaints as on 1st April, 2020 : NIL

b) Number of Complaints filed during the year 2020-2021 : NIL

c) Number of Complaints disposed of during the year 2020-2021 : NA

d) Number of Complaints pending as on 31st March, 2021 : NIL

Compliance with Mandatory & Non-mandatory Requirements.

The Company has complied with all the mandatory requirements of SEBI (LODR) 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 (LODR) 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, 2021.
- The Internal Auditor has been reporting directly to the Audit Committee.

10. 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, Economic Times, Times of India, Dainik Najariya Khabar.
- **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, policies, composition of committee, code

of conduct 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, statement of investor grievances etc. are intimated/filed electronically on NEAPS.
- **BSE Listing Centre -** It is a 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, statement of investor grievances 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.** For queries related to Shares and Dividend transferred to IEPF Authority, email may be sent to **iepf@ester.in**. The shareholders may also send their queries at the email id of Registrar and Transfer Agent (RTA) viz. **info@masserv.com.**
- **Earning call, 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. 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 held on quarterly basis after dissemination of the quarterly and year to date results. The Transcripts of the Earning calls are available on the website of the Company.

11. General Shareholder Information:

- **Forthcoming Annual General Meeting**

Day, Date & Time	**Monday, 27th September, 2021, 11.00 AM**
Venue	**AGM will be held through Video Conferencing (VC)/ Other audio and visual means (OAVM) as stated in notice of AGM . Deemed Venue of the AGM is Registered Office at Sohan Nagar, PO Charubeta, Khatima - 262308, Distt. Udham Singh Nagar, Uttarakhand**

- **Financial Year**

The financial year of the Company is 1st April to 31st March. Accordingly an item for adoption of the Annual Accounts of the Company for financial year 2020-21 is set out in the Notice of this Annual General Meeting.

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

Financial Results for the Quarter ending 30th June 2021	August – 2021
Financial Results for the Quarter ending 30th September 2021	November – 2021
Financial Results for the Quarter ending 31st December 2021	February – 2022
Financial Results for the Quarter and year ending 31st March 2022	May – 2022
Annual General Meeting	September – 2022

- **Books closure date –** 21st September, 2021 to 27th September, 2021 (both days inclusive)

- **Dividend**

During the year 2020-21, the Board has declared interim dividend of Rs. 1.50/- per share i.e. 30% on Equity Share of face value of Rs. 5.00 each for the Financial Year 2020-21, in its meeting held on 26th October, 2021.

Our Board has recommended the Final Dividend of Rs. 1.90/- per share i.e. 38% on Equity Share of face value of Rs. 5.00 each for the Financial Year 2020-21. In case final dividend is declared by the shareholders in the forthcoming Annual General Meeting, it will be paid on or before 25th October, 2021.

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

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

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, no unclaimed dividend was required to be 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 payment of unclaimed dividend.

Year of Dividend	**2013-14**	**2018-19**	**2019-20**	**2020-21**
Nature of Dividend	**Final**	**Final**	**Final**	**Interim**
Amount of Dividend per share	Rs. 0.50/-	Rs. 0.50/-	Rs. 2.50/-	Rs. 1.50/-
Date of Declaration	22-09-2014	16-09-2019	28-08-2020	26-10-2020
Last date to claim dividend	23-10-2021	17-10-2026	28-09-2027	27-11-2027
Proposed date of transfer of Dividend	22-11-2021	17-11-2026	28-10-2027	27-12-2027

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/dividend from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority in the link given below:

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

- **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

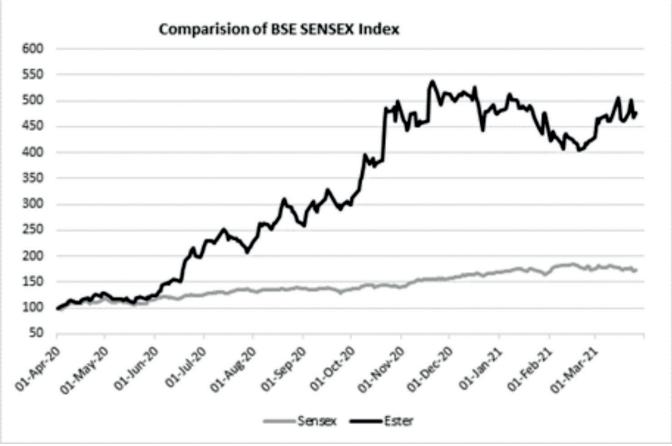
The Listing Fees for the financial year 2021-22 have been paid to stock exchanges within the prescribed time period.

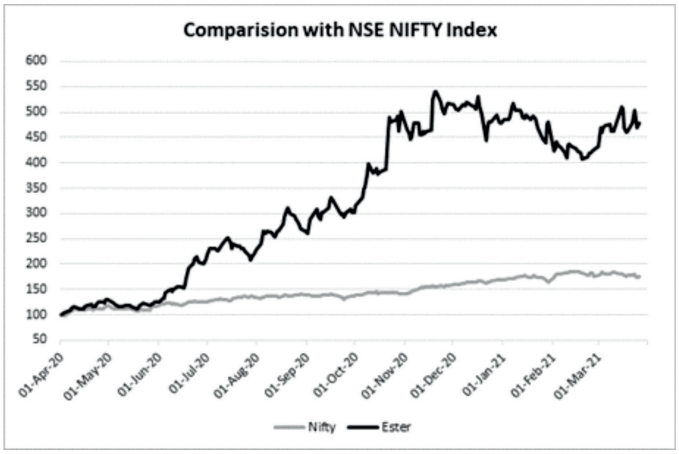
- **Stock Market Data:**

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-20	33.25	24.50	1,61,773	33.20	23.95	10,53,954
May-20	31.10	27.25	2,65,691	30.90	27.15	6,09,770
Jun-20	54.25	30.35	7,16,930	54.40	30.15	50,00,079
Jul-20	64.50	50.65	7,59,527	64.30	50.55	64,15,974
Aug-20	80.25	56.60	13,64,822	80.25	56.50	80,51,962
Sep-20	83.05	62.55	7,75,801	83.45	62.25	50,66,844
Oct-20	134.90	75.00	21,78,386	133.75	74.80	2,06,71,810
Nov-20	137.00	107.15	15,03,440	137.00	106.65	1,43,26,594
Dec-20	133.55	100.00	11,52,368	133.00	98.05	94,18,126
Jan-21	129.50	105.30	9,25,738	129.50	106.10	57,77,739
Feb-21	123.25	98.10	10,12,407	123.70	99.00	70,67,488
Mar-21	129.50	104.75	14,43,832	129.40	104.60	95,74,205

- **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**

The share transfer, which are received in physical form, are processed within a period of 10 to 15 days from the date of receipts, subject to the documents being valid and complete in all respects. Pursuant to Regulation 40 of SEBI (LODR) Regulations, 2015, effective from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities is not processed unless the securities are held in the dematerialized form with a depository.

- **Distribution of Shareholding as on 31st March 2021:**

Shareholding of Nominal Value of Rs. 5 each (Amount in Rs.)	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-5000	28912	92.37	5469609	6.56
5001-10000	1123	3.58	1749583	2.09
10001-20000	589	1.88	1715509	2.06
20001-30000	241	0.77	1216379	1.46
30001-40000	87	0.28	620971	0.75
40001-50000	89	0.28	831969	0.99
50001-100000	143	0.46	2100080	2.52
100001 & Above	118	0.38	69689659	83.57
Total	**31302**	**100.00**	**83393759**	**100.00**

- **Shareholding Pattern as on 31st March 2021:**

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
Individual/HUF	4	303191	0.36
Bodies Corporate	1	490000	0.59
Sub Total (A1)	**5**	**793191**	**0.95**
2. Foreign			
Bodies Corporate	2	52615012	63.09
Sub Total (A2)	**2**	**52615012**	**63.09**
Total Shareholding of Promoter and Promoter Group (A = A1 + A2)	**7**	**53408203**	**64.04**
B. PUBLIC SHAREHOLDING			
1. Institutions			
a. Mutual Funds/UTI	3	18300	0.02
b. Financial Institutions/Banks	5	3800	-
c. Insurance Companies	1	300	-
d. Foreign Portfolio Investor	16	1439437	1.73
Sub Total (B1)	**25**	**1461837**	**1.75**
2. Non Institutions			
a. Bodies Corporate	178	10135623	12.16
b. Resident Individuals	30564	16584176	19.89
c. Non-Resident Individual	417	766840	0.92
d. Clearing Member	110	227611	0.27
e. IEPF Authority	1	809469	0.97
Sub Total (B2)	**31270**	**28523719**	**34.21**
Total Public Shareholding (B = B1 + B2)	**31295**	**29985556**	**35.96**
GRAND TOTAL (A) + (B)	**31302**	**83393759**	**100**

- **Dematerialization of Shares:**

  As on 31st March 2021, 98.85% of the Company's shares were held in dematerialized form.

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

  As on 31st March, 2021, 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**

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**

- **Credit Rating**

Brickwork Ratings India Private Limited has assigned following ratings for credit limit of the Company

Tenure	Facility	Rating*
Long term	Fund based	BWR A- Outlook: Stable
Short term	Fund based and Non Fund based	BWR A2+

Please refer to BWR website **www.brickworkratings.com for definition of the rating assigned*

- **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.

Date: 18th May, 2021
Place: Gurugram

ANNEXURE – A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the following documents:

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

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

as submitted by the Directors of Ester Industries Limited ('the Company') bearing CIN: L24111UR1985PLC015063 and having its registered office at Sohan Nagar, P.O. Charubeta, Khatima-262308 Udham Singh Nagar, Uttrakhand, to the Board of Directors of the Company ('the Board') for the financial year 2020-21 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with, Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal *www.mca.gov.in*), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended **31st March, 2021**, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company	Date of Cessation
1	ARVIND SINGHANIA	00934017	01/07/1994	--
2	ARCHANA SINGHANIA	01096776	04/08/2014	--
3	PRADEEP KUMAR RUSTAGI	00879345	14/02/2011	--
4	SANDEEP DINODIA	00005395	25/05/2015	--
5	PRIYA SHANKAR DASGUPTA	00012552	14/02/2011	--
6	ANAND CHAND BURMAN	00056216	12/08/2010	--
7	PADMAJA SHAILEN RUPAREL	01383513	01/04/2020	--
8	MADRAS SESHAMANI RAMACHANDRAN	00943629	19/09/2008	--
9	ASHOK KUMAR NEWATIA	01057233	01/07/1997	--

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2021.

Place: Agra
Date : 09-08-2021
ICSI UDIN: F009617C000747167

Sd/-
Akash Jain
Practising Company Secretary
Membership No.: F9617
CP No.: 9432
PR 838/2020

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, 2021 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 2020-21 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
Place: Gurgaon

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

Place: Dubai
Date: 18th May, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

CIN: L24111UR1985PLC015063

To

The Members of

M/s Ester Industries Limited

Sohan Nagar, P.O. Charubeta, Khatima-262308

Udham Singh Nagar, Uttrakhand

We have examined all the relevant records of Ester Industries Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance for the year ended **31st March, 2021** as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulations (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as the 'Stock exchanges').

Management Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Our Responsibility

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2021.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable during the year ended **March 31, 2021**.

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.

Restriction on Use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Sd/-
Akash Jain
Practising Company Secretary
Membership No.: F9617
CP No.: 9432
PR 838/2020

Date : 09.08.2021
Place : Agra
ICSI UDIN: F009617B000456866

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) as issued and revised by Ministry of Corporate Affairs(MCA), Government of India, the "Business Responsibility Report" (BRR) of the Company for the financial year 2020-21 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number of the Company** : L24111UR1985PLC015063
2. **Name of the Company** : ESTER INDUSTRIES LIMITED
3. **Registered address :** Sohan Nagar, PO Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
4. **Website :** www.esterindustries.com
5. **E-mail id :** investor@ester.in
6. **Financial Year reported :** 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

   Polyester Film – 22201 (NIC Code)
   Engineering Plastics – 22207 (NIC Code)
8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   Polyester Film
   Engineering Plastics
   Specialty Polymer
9. **Total number of locations where business activity is undertaken by the Company**

   The Company has manufacturing unit at Khatima, Distt. Udham Singh Nagar, Uttarakhand. The Corporate office of the company is located at Gurugram, Haryana. The Godowns of the Company are located at Gurugram and Khatima.
10. **Markets served by the Company** -

    Both National and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Amount (Rs. in Lacs)
1.	Paid up Capital	4169.69
2.	Total Turnover	99175.88
3.	Total Profits after tax	14207.77
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of average net profit of preceding three financial years as defined under section 135 of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred	The details of CSR activities undertaken by the Company and CSR expenditures incurred thereon during the financial year 2020-21 by the Company have been given the 'Annual Report on CSR Activities', as Annexure-B of Directors' Report.

SECTION C: OTHER DETAILS

1. **Does the Company has any Subsidiary Company/ Companies?** - Yes

   Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent Company?

   The Company has one Subsidiary incorporated during July 2020. The Company is setting up BOPET Film plant in Telangana and has not commenced its business operations therefore currently it doesn't participate in BR initiative of Ester Industries Limited.
2. **Do any other entity/entities (e.g. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?** -No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   (a) Details of the Director responsible for implementation of the BR policy/ policies:

- **DIN :** 00934017
- **Name :** Mr. Arvind Singhania
- **Designation :** Chairman & CEO

(b) Details of BR Head –

- **DIN :** 00934017
- **Name :** Mr. Arvind Singhania
- **Designation :** Chairman & CEO
- **Telephone No :** 0124-4572100
- **Email id :** brhead@ester.in

2. Principle-wise BR policies :

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) released by the Ministry of Corporate Affairs have adopted following 9 (nine) areas of Business Responsibility -

PRINCIPLE -1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
PRINCIPLE -2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
PRINCIPLE -3	Businesses should respect and promote the well-being of all employee.
PRINCIPLE -4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
PRINCIPLE -5	Businesses should respect and promote human rights
PRINCIPLE -6	Businesses should respect and make efforts to protect and restore the environment
PRINCIPLE -7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
PRINCIPLE -8	Businesses should support inclusive growth and equitable development
PRINCIPLE -9	Businesses should engage with and provide value to their customers in a responsible manner

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	N	Y	Y	Y	Y	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	Y	Y	NA	Y	NA
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Note-1	NA	Note-1	Note-1	Note-1	Note-1	NA	Note-1	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Note-2	NA	Note-2	Note-2	Note-2	Note-2	NA	Note-2	NA
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	Y	Y	NA	Y	NA
6	Indicate the link for the policy to be viewed online?	Note-3	NA	Note-3	Note-3	Note-3	Note-3	NA	Note-3	NA

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	Y	Y	NA	Y	NA
8	Does the company have in-house structure to implement the policy/ policies.	Y	NA	Y	Y	Y	Y	NA	Y	NA
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	Y	Y	NA	Y	NA
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Note -4	NA	Note -4	Note -4	Note -4	Note -4	NA	Note -4	NA

Note -1. Policies have been framed in accordance with applicable laws and are in line with the business standards, fair trade practices and good corporate governance

Note-2. In compliance with the applicable law, some policies are approved by the Board and other policies are framed and approved by the Managing Director/Whole-time Directors/functional heads.

Note-3 . Policies which are required to be uploaded on the website under the applicable laws are available on the website of the company at the Investor Section at http://www.esterindustries.com. Link for code of conduct- http://esterindustries.com/code-conduct. Link for CSR Policy, Dividend Distribution Policy, Vigil Mechanism Policy (Whistle Blower Policy) *http://esterindustries.com/policies*

Policy for Prevention of Sexual Harassment at workplace, Insider Trading Policy and employees benefit policies are available on Intranet of company accessible to employees. Equal Employment Opportunity Policy, Anti-Bribery Policy and Safety, Health and Environment policy are accessible to the concerned stakeholders.

Note-4.Management of the Company evaluates the implementation of the Policies time to time. The policies are updated whenever required.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P2	P7	P9
1	The company has not understood the Principles	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA

S. No.	Questions	P2	P7	P9
6	Any other reason (please specify)	We produce and supply intermediate products to other end-use industries. These industries manufacture their final products using our products as raw material and are accordingly responsible for any meaningful sustainability initiative.	We send our recommendations and views to the government and statutory bodies through various industry forums, of which we are members, on matters pertaining to the interest of our stakeholders. We have, therefore, not framed a policy document on this principle.	We take due care to manufacture its products aligned with properties mentioned in the product Technical Data Sheets (TDS). Being a supplier of intermediate products to industrial manufacturers, we responsibly comply with agreed terms and conditions of supply. We have an Integrated Management System (IMS) covering various aspects like Quality, Safety, Health & Hygiene, Environment etc. The IMS also has a detailed process related to redressal of customer concerns and complaints

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Board of Directors of the Company assesses various initiatives and Compliance with environmental, social and governance norms at least once in a year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report forming part of Annual Report for financial year 2020-21 is available at **http://esterindustries.com/investors/financial-reports/annual-report**. The Company publishes this report annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company seeks to ensure that our performance is driven by integrity, value and ethics. Integrity and Transparency are key to our Corporate Governance practices to ensure that we retain the trust of our stakeholders at all the times.

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.

The Board of Directors of the Company has adopted a Code of Conduct and Business Ethics laying down the principles of ethical practices, occupational health, safety and environment, a gender friendly workplace, vigil mechanism, transparency, auditability and legal compliance etc. The Company has formulated Anti-Bribery Policy, Vigil Mechanism Policy (Whistle Blower Policy), Policy for Prevention of Sexual Harassment at workplace. Under the Vigil Mechanism Policy, the Company has a mechanism for employees of the Company to raise concerns of suspected frauds, Instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/ regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company has mechanisms for the reporting and redressal of grievances of the stakeholders viz customers, investors, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. Complaints from various stakeholders are addressed in normal course of business by the concerned functions.

The Company has a dedicated email id **investor@ester.in** for the shareholders grievances. Stakeholder Committee oversees the receipt of complaints and their resolutions. During the last year, the company received 29 investor complaints. All the investor complaints were resolved during the year and no investor complaint is pending as at the end of the financial year.

During the last financial year, the Company has not received any complaint under Vigil Mechanism policy and the Policy for Prevention of Sexual Harassment.

PRINCIPLE 2

1. **List of products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a. Products made from Post-consumer/industrial recycled plastics.

   b. Barrier films as an alternative to aluminium foil, for better recyclability.

2. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   Yes, the company has procedures in place to evaluate sustainability of suppliers, which are reviewed periodically.

3. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   Yes, Ester always strives to procure materials & avail services from local vendors / suppliers, without compromising on quality & products. Company's supplier selection, assessment and evaluation process includes continuous risk assessment and improvement in supplier's overall score.

4. **Does the company have a mechanism to recycle products and waste?**

   Due to the nature of our products, we utilize resources like energy, water and other secondary resources and have robust processes and systems in place to identify, quantify and reduce waste and its impact on the environment.

PRINCIPLE 3

1. **Please indicate the Total number of employees. -** 520
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis. -** 412
3. **Please indicate the Number of permanent women employees. -** 3
4. **Please indicate the Number of permanent employees with disabilities -** 1
5. **Do you have an employee association that is recognized by management -** Yes
6. **What percentage of your permanent employees is members of this recognized employee association? -** 23%
7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   No complaint relating to child labour, forced labour, involuntary labour, sexual harassment was filed during the financial year 2020-21 and no such complaint is pending as on the end of the financial year.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   (a) Permanent Employees - 88%

   (b) Permanent Women Employees -100%

   (c) Casual/Temporary/Contractual Employees -39%

   (d) Employees with Disabilities -100%

PRINCIPLE 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/regulatory authorities etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes, the Company has identified disadvantaged, vulnerable & marginalised stakeholders from the local community and the work force and has also engaged them for their socio-economic development through various CSR initiatives.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders**

   Yes, the Company, in partnership with the Government run vocational training institutions and the local communities and has taken many initiatives focused on Skill and Livelihood development of the local community.

PRINCIPLE 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? –**

   It covers only the employees

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? –**

   No employee complaint was received during the last financial year.

PRINCIPLE 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   Safety, Health and Environment policy of the company covers all its businesses and it applies to the employees and contractors working for the company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?**

   The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment. The company has biomass-based boilers / heaters for its steam and heating requirements.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. The company is certified in ISO 14001 [Environmental Management System]. Under this standard, we have identified & assessed environmental aspects for all the major activities being performed at the site. We also conduct Environmental impact assessment from time to time or at the time of setting up of new plant.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? -** No

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

   Yes. The company has implemented ISO 50001:2018 (Energy Management System) wherein target for reduction in energy consumption are set every year.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, emission & waste generated by company are within the permissible limits as laid down by Pollution Control Boards of respective states, where the company operates.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. -** NIL

PRINCIPLE 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   a. Confederation of Indian Industry
   b. FICCI
   c. Polyester Film Industries Association
   d. All India Plastics Manufacturers Association (AIPMA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   Yes, for recommending Extended Producer Responsibility (EPR) framework and for recommending use of recycled plastics in food packaging.

PRINCIPLE 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8**

   Inclusive growth and equitable development envisages sharing benefit and growth with the Stakeholders and the Society. The Company has formulated Corporate Social Responsibility (CSR) Policy. In terms of the Policy of the Company, Corporate Social Responsibility (CSR) is the 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**.**

   The Company has identified Promoting education, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation as major focus area for its CSR activities. A detailed report of CSR activities is given in Annexure –B of the Directors' Report which forms part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization**

   CSR programmes are implemented in both the manner - directly through internal team and through NGOs. The Company has undertaken CSR activities directly or by contributing to the corpus of NGOs having established track record of carrying out CSR activities.

3. **Have you done any impact assessment of your initiative**

   The Company has constituted CSR Committee of the Board. The Committee periodically reviews the CSR activities and expenditures and monitors mechanism for implementation of CSR projects, programs and activities undertaken by the Company.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken**

   A detailed report of CSR activities and company's contribution is given in Annexure –B of the Directors' Report which forms part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community**

   The company regularly monitors its CSR initiative. The Company takes steps to ensure that community development/CSR initiatives of the Company are successfully adopted by the Community and sustained within communities even beyond our interventions.

PRINCIPLE 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company has an established mechanism to review and resolve the customer complaints. During financial year 2020-21, all the consumer complaints were resolved and no complaints are pending for investigation and resolution out of total complaint received during the financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   As the company manufactures and supplies intermediates to industrial customers, this is not applicable for us.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year –**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Customer satisfaction are regularly monitored based on "Customer rating & feedback" periodically provided by the customers.

Independent Auditor's Report

To the Members of Ester Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ester Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of products Revenue of the Company majorly comprises of revenue from sale of polyester films and engineering plastics. The Company sells its products through various distribution channels involving a high volume of sale transactions. The Company recognised an amount of ₹99,175.88 lacs as revenue for the year ended 31 March 2021, as disclosed in Note 24 to the standalone financial statements. Refer Note 5.5 for the related accounting policy adopted by the management for recognition of revenue in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). Revenue recognition is a significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred. Revenue is also a key performance indicator of the Company and accordingly, testing occurrence of revenue transactions is a key focus area for our audit. We determined this to be a key audit matter due to significant time and effort involved in testing revenue recorded during the year.	Our audit procedures included, but were not limited, to the following: • Obtained an understanding of the process of identification and recording of revenue transaction from sale of polyester films and engineering plastics. • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc; • On a sample basis, evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition accounting policy adopted by the management is in accordance with Ind AS 115; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid/provided remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

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

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

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

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

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 31 March 2021 as per Annexure B expressed unmodified opinion; and

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

        i. the Company, as detailed in note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

        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 standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAACA4384

Place: Faridabad
Date: 18 May 2021

Annexure A

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

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

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three 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 property, plant and equipment were verified during the years and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and no material discrepancies between physical inventory and book records were noticed on physical 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax act, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) 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	Amount (₹in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	8.06	Nil	March 1990 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	164.20	Nil	April 1990 to February 1992	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	20.61	Nil	March 1991 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.23	Nil	April 1992 to November 1993	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	4.79	Nil	Financial year 1998-99	Commissioner (Appeals), Central Excise, Ghaziabad
Central Excise Act, 1944	Excise Duty	12.95	5.23	April 1991 to November 1992	Joint Commissioner, Meerut II, UP
Central Excise Act, 1944	Excise Duty	1.58	Nil	July 1987 to December 1988	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	3.09	Nil	Financial year 2009-10	Commissioner (Appeals), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	2.50	Nil	April 2009 to December 2009	Commissioner (Appeals), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	6.95	3.95	Financial year 1994-95	Commissioner (Appeals), Noida, UP
Central Excise Act, 1944	Excise Duty	4.32	Nil	Financial year 1994-95	Assistant Commissioner Central Excise, Rampur
Central Excise Act, 1944	Excise Duty	476.73	Nil	March 1997 to March 1998	Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	16.23	8.00	March 2017 to February 2019	Superintendent CGST, Khatima, Uttrakhand

Name of the statute	Nature of dues	Amount (₹in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	13.53	Nil	Financial year 2011-12	Assistant Commissioner, Central Excise, Rampur, UP
Finance Act, 1994	Service Tax	123.30	Nil	April 2010 to March 2015	Superintendent Adjudication, Meerut–II
Finance Act, 1994	Service Tax	14.55	Nil	March 2017 to February 2019	Superintendent CGST, Khatima
The Customs Act, 1962	Custom Duty	2.58	Nil	Financial year 1997-98	Additional Commissioner Customs (DEEC), Mumbai
The Customs Act, 1962	Custom Duty	12.07	Nil	January 1997 to March 1998	Additional Commissioner Customs (DEEC), Mumbai
The Customs Act, 1962	Custom Duty	43.05	Nil	April 1998 to March 1999	Commissioner of Customs, Mumbai
Goods & Services Tax, 2017	GST	2.41	2.41	Financial Year 2018-19	Addl. Comm. Grade-2 (Appeals), Trade Tax, Moradabad, U.P.
Goods & Services Tax, 2017	GST	2.33	2.33	Financial Year 2018-19	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Goods & Services Tax, 2017	GST	2.68	2.68	Financial Year 2019-20	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Goods & Services Tax, 2017	GST	1.98	1.98	Financial Year 2019-20	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Goods & Services Tax, 2017	GST	1.43	1.43	Financial Year 2019-20	Assistant Commissioner, Ghaziabad, Uttar Pradesh
Income Tax Act, 1961	Income Tax	18.00	Nil	Assessment year 1993-94 to Assessment year 1995-96	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	9.19	Nil	Assessment year 1997-98 and Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	6.63	Nil	Assessment year 2007-08 and Assessment year 2011-12	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	0.06	Nil	Assessment year 2013-14	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	7.53	1.51	Assessment year 2016-17	Commissioner of Income Tax (Appeals) Delhi
Income Tax Act, 1961	Income Tax	33.68	Nil	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	45.74	Nil	Assessment year 2014-15	Commissioner of Income Tax (Appeals), New Delhi

(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 or dues to 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 purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(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/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

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAACA4384

Place: Faridabad
Date: 18 May 2021

Annexure B

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

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

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAACA4384

Place: Faridabad
Date: 18 May 2021

BALANCE SHEET as at 31 March 2021

(₹ in lacs)

		As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6A	37,378.52	35,875.93
Right of use asset	6B	209.21	305.26
Capital work-in-progress	6C	2,194.52	2,269.18
Intangible assets	6A	79.80	188.21
Financial assets			
Investments	7A	9,635.00	-
Loans	8A	756.73	734.72
Other financial assets	9A	231.40	218.72
Income tax assets (net)		319.96	319.97
Other non-current assets	10	373.75	691.01
Total non-current assets		**51,178.89**	**40,603.00**
Current assets			
Inventories	11	13,664.26	11,036.84
Financial assets			
Investments	7B	133.13	22.78
Trade receivables	12	15,116.20	12,124.69
Cash and cash equivalents	13	37.71	23.26
Other bank balances	14	2,575.18	1,363.73
Loans	8B	93.93	136.23
Other financial assets	9B	658.49	2,132.40
Other current assets	15	2,894.16	1,664.25
Total current assets		**35,173.06**	**28,504.18**
Total assets		**86,351.95**	**69,107.18**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16A	4,169.69	4,169.69
Other equity	17	47,490.63	36,643.57
Total equity		**51,660.32**	**40,813.26**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18A	9,938.52	5,565.76
Provisions	19A	1,066.12	993.55
Deferred tax liabilities (net)	20	3,154.68	3,168.10
Other non-current liabilities	21A	2,280.43	2,552.40
Total non-current liabilities		**16,439.75**	**12,279.81**
Current liabilities			
Financial liabilities			
Borrowings	18B	7,314.96	7,681.17
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	274.47	102.80
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,478.05	3,197.47
Other financial liabilities	23	5,859.88	4,242.80
Other current liabilities	21B	796.81	509.76
Provisions	19B	205.25	203.84
Current tax liabilities (net)		322.46	76.27
Total current liabilities		**18,251.88**	**16,014.11**
Total equity and liabilities		**86,351.95**	**69,107.18**
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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Partner	**Chairman & CEO**	**Executive Director and CFO**	**Head-Legal & Company Secretary**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	**M No: A22282**
Place: Faridabad	Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2021

(₹ in lacs)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	24 and 40	99,175.88	1,03,870.15
Other income	25	797.83	889.39
Total revenue		**99,973.71**	**1,04,759.54**
Expenses			
Cost of material consumed		51,712.37	61,353.48
Changes in inventories of finished goods and work-in-progress	26	(661.47)	970.30
Employee benefits expense	27	6,809.14	5,404.95
Finance costs	28	1,855.07	2,445.52
Depreciation and amortisation expenses	6	3,522.32	3,527.78
Other expenses	29	17,738.43	17,200.87
Total expenses		**80,975.86**	**90,902.90**
Profit before tax		**18,997.85**	**13,856.64**
Tax expense	30		**-**
Current tax		4,881.55	3,011.86
Deferred tax		(91.47)	894.91
Total tax expenses		**4,790.08**	**3,906.77**
Profit after tax		**14,207.77**	**9,949.87**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(33.51)	(104.26)
Income tax effect		8.55	28.74
Total comprehensive income		**14,182.81**	**9,874.35**
Earnings per equity share			
Basic (₹)	31	17.04	11.93
Diluted (₹)	31	17.04	11.93
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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Faridabad
Date: 18 May 2021

For and on behalf of the Board of Directors

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Dubai
Date: 18 May 2021

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Place: Gurugram
Date: 18 May 2021

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place: Gurugram
Date: 18 May 2021

CASH FLOW STATEMENT for the year ended 31 March 2021

(₹ in lacs)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**Cash flow from operating activities**		
	Profit before tax	18,997.85	13,856.64
	Adjustments for:		
	Depreciation and amortisation expense	3,522.32	3,527.78
	Loss on sale of property, plant and equipments (net)	27.39	172.92
	Finance costs	1,480.05	2,045.08
	Interest income on financials assets measured at a mortised cost	(123.06)	(116.90)
	Unrealised foreign exchange (gain) / loss (net)	(16.18)	(17.29)
	Bad debts, advances and irrecoverable balances written off	15.59	4.14
	Mark to market gain on derivative contracts	-	(2.86)
	Provisions/liabilities no longer required written back	(216.90)	(59.67)
	Income recognised on account of government assistance	(253.15)	(253.78)
	Provision for doubtful debts / advances	76.53	39.74
	(Gain) / loss on fair valuation of financial assets	(26.24)	2.49
	Provision for obsolete inventories	13.96	30.33
	Operating profit before working capital changes and other adjustments:	**23,498.16**	**19,228.62**
	Working capital changes and other adjustments:		
	Increase in current and non-current loans	20.29	(88.76)
	(Increase) / decrease in other non-current and current assets	(665.11)	(1,234.02)
	Decrease / (increase) in inventories	(2,641.38)	1,447.88
	Increase in other financial and non-financial liabilities	1,077.85	592.02
	Increase in provisions	40.47	128.23
	(Increase) / decrease in other non-current and current financial assets	837.98	(774.63)
	Decrease in trade receivables	(2,955.46)	276.62
	Increase / (decrease) in trade payables	408.38	914.40
	Cash flow from operating activities post working capital changes	**19,621.18**	**20,490.36**
	Income tax paid (net of refunds)	(4,548.75)	(3,336.19)
	Net cash flow from operating activities (A)	**15,072.43**	**17,154.17**
B	**Cash flows from investing activities**		
	Purchase of property plant and equipments (including capital work-in-progress and intangible assets)	(4,617.99)	(4,308.89)
	Sale of property plant and equipments	13.35	28.34
	Investment in bank deposits	(1,537.74)	-
	Proceeds from pledged deposits	360.36	(945.56)
	Interest received	107.96	108.00
	Investment in subsidiary	(9,635.00)	-
	Purchase of investment (net)	(84.11)	(8.14)
	Net cash used in investing activities (B)	**(15,393.17)**	**(5,126.25)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	8,422.95	2,109.80
	Repayment of long-term borrowings	(2,804.15)	(2,493.08)
	Repayment of lease liability	(140.48)	(71.77)
	Repayment of short-term borrowings (net)	(366.21)	(9,050.24)
	Finance cost paid	(1,441.17)	(2,017.48)
	Dividend paid (including tax)	(3,335.75)	(502.68)
	Net cash used in financing activities (C)	**335.19**	**(12,025.45)**
D	Net increase in cash and cash equivalents (A+B+C)	14.45	2.47
E	Cash and cash equivalents at the beginning of the year (refer note no. 13)	23.26	20.79
F	**Cash and cash equivalents at the end of the year (D+E) (refer note no. 13)**	**37.71**	**23.26**
	Reconcilation of cash and cash equivalents as per cash flow statement		
	Cash in hand	3.50	5.33
	Balances with banks:		
	In current accounts	4.21	17.93
	Bank deposits with original maturity upto 3 months	30.00	-
	Total of cash and cash equivalents	**37.71**	**23.26**

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

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

For and on behalf of the Board of Directors

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Faridabad
Date : 18 May 2021

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Dubai
Date : 18 May 2021

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Place: Gurugram
Date : 18 May 2021

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place: Gurugram
Date : 18 May 2021

STATEMENT OF CHANGES IN EQUITY as at 31 March 2021

Equity share capital **(₹ in lacs)**

Particulars	Opening balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity **(₹ in lacs)**

Particulars	Equity component of redeemable financial instrument	Reserves and surplus					Total
		Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	
Balance as at 1 April 2019	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**15,689.79**	**27,271.90**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**9,949.87**	**9,949.87**
Other comprehensive income for the year							
Re-measurement gains on defined benefit plans	-	-	-	-	-	(75.52)	**(75.52)**
Transactions with owners							
Dividend paid	-	-	-	-	-	(416.97)	**(416.97)**
Tax on dividends	-	-	-	-	-	(85.71)	**(85.71)**
Balance as at 31 March 2020	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**25,061.46**	**36,643.57**
Profit for the year	-	-	-	-	-	14,207.77	**14,207.77**
Other comprehensive income							
Re-measurement losses on defined benefit plans	-	-	-	-	-	(24.96)	**(24.96)**
Transactions with owners							
Dividend paid	-	-	-	-	-	(3,335.75)	**(3,335.75)**
Balance as at 31 March 2021	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**35,908.52**	**47,490.63**

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

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Partner	**Chairman & CEO**	**Executive Director and CFO**	**Head-Legal & Company Secretary**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	**M No: A22282**
Place: Faridabad	Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

1. Nature of operations

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

2. General information and compliance with Ind AS

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

The financial statements for the year ended 31 March 2021 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 18 May 2021. The revisions to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. Standards issued but not yet effective

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

4. Basis of preparation

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value as explained in relevant accounting policies.
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

5. Summary of significant accounting policies

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

5.1 Current versus non-current classification

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

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

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

Asset class	Useful life
Factory buildings*	2 to 29.94 years
Administrative buildings*	12 to 61.35 years
Plant and machinery*	2 to 40 years

Furniture and fixtures*	5 to 15.79 years
A.C. and Refrigeration	10 years
Office equipment*	2 to 10 years
Computers*	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 upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

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

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

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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

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

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

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

Work-in-progress and finished goods

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

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

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

5.5. Revenue recognition

5.5.1 Revenue

Revenue arises mainly from the sale of manufactured goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1) Identifying the contract with a customer

2) Identifying the performance obligations

3) Determining the transaction price

4) Allocating the transaction price to the performance obligations

5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The Company collects sales taxes, value added taxes ('VAT') and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Export benefits

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

5.5.1: Other Income

Government grants

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

Interest

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

Dividends

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

Insurance claims income

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

5.6 Borrowing costs

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

5.7 Leases

The Company as a lessee

The Company's leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a

lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

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 recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

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 recognized in the statement of profit and loss.

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

5.9 Foreign currency

Functional and presentation currency

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

Initial recognition

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

Conversion

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

Exchange difference

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

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 Ind AS 27 Separate Financial Statements.

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Forward contracts

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

Offsetting of financial instruments

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

5.11 Impairment of financial assets

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

Trade receivables

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

Other financial assets

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

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

5.12 Income taxes

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

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

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 recognized as an expense in the period in which services are rendered by the employee.

Gratuity

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

Compensated absences

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

Superannuation fund

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

Short-term employee benefits

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

5.15 Provisions

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

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

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 Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

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

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

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 recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

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

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

Significant estimates

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

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

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

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

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

6 A. Property, plant and equipment and intangible assets

(₹ in lacs)

Particulars	Property, plant and equipment							Intangible assets		
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and machinery	Total	Patent	Software	Total
Gross carrying amount										
As at 1 April 2019	1,653.36	5,866.76	426.33	195.34	390.06	37,120.49	**45,652.34**	228.88	113.71	342.59
Additions	-	78.46	288.03	40.68	12.08	1,405.88	**1,825.13**	9.12	116.65	125.77
Disposal/adjustments	-	(190.92)	(184.62)	(1.64)	(31.20)	(1,369.48)	**(1,777.86)**	-	-	-
As at 31 March 2020	**1,653.36**	**5,754.30**	**529.74**	**234.38**	**370.94**	**37,156.89**	**45,699.61**	**238.00**	**230.36**	**468.36**
Additions	-	247.98	164.38	44.03	5.34	4,369.19	**4,830.92**	-	18.54	**18.54**
Disposal/adjustments	-	-	(86.71)	(55.25)	-	(113.64)	**(255.60)**	(238.00)	-	**(238.00)**
As at 31 March 2021	**1,653.36**	**6,002.28**	**607.41**	**223.16**	**376.28**	**41,412.44**	**50,274.93**	**-**	**248.90**	**248.90**
Accumulated depreciation										
As at 1 April 2019	-	585.15	90.43	38.76	94.40	6,318.35	**7,127.09**	137.47	69.36	**206.83**
Charge for the year	-	198.42	93.30	47.09	33.27	3,017.76	**3,389.84**	46.53	26.79	**73.32**
Disposal/adjustments	-	(39.70)	(171.23)	(1.42)	(20.53)	(460.37)	**(693.25)**	-	-	**-**
As at 31 March 2020	**-**	**743.87**	**12.50**	**84.43**	**107.14**	**8,875.74**	**9,823.68**	**184.00**	**96.15**	**280.15**
Depriciation charge for the year	-	194.72	107.61	45.18	31.04	2,927.26	**3,305.81**	37.62	72.95	**110.57**
Disposal/adjustments	-	-	(79.47)	(51.85)	-	(101.76)	**(233.08)**	(221.62)	-	**(221.62)**
As at 31 March 2021	**-**	**938.59**	**40.64**	**77.76**	**138.18**	**11,701.24**	**12,896.41**	**-**	**169.10**	**169.10**
Net block										
As at 1 April 2020	**1,653.36**	**5,010.43**	**517.24**	**149.95**	**263.80**	**28,281.15**	**35,875.93**	**54.00**	**134.21**	**188.21**
As at 31 March 2021	**1,653.36**	**5,063.69**	**566.77**	**145.40**	**238.10**	**29,711.20**	**37,378.52**	**-**	**79.80**	**79.80**

Footnotes:

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

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

6B. Right of use asset **(₹ in lacs)**

Particulars	Total
Gross carring amount	
As at 1 April 2019	-
Additions	369.88
Disposal/adjustments	-
As at 31 March 2020	**369.88**
Additions	9.88
Disposal/adjustments	**-**
As at 31 March 2021	**379.76**
Accumulated depreciation	
As at 1 April 2019	-
Charge for the year	64.62
At 31 March 2020	**64.62**
Charge for the year	105.93
As at 31 March 2021	**170.55**
Net carrying amount	
As at 1 April 2020	**305.26**
As at 31 March 2021	**209.21**

6C. Capital work-in-progress **(₹ in lacs)**

Description	Amount
As at 1 April 2019	**326.23**
Add: addition during the year	3,596.70
Less: capitalisation during the year	(1,653.75)
As at 31 March 2020	**2,269.18**
Add: addition during the year	4,048.32
Less: capitalisation during the year	(4,122.98)
As at 31 March 2021	**2,194.52**

7. Investments **(₹ in lacs)**

		As at 31 March 2021	As at 31 March 2020
A)	**Non-current**		
	Investment carried at amortized cost - Equity Shares		
	Subsidiary company		
	Ester Filmtech Limited - equity shares (unquoted)	9,635.00	-
	[96,350,000 (31 March 2020 : Nil) shares of ₹ 10 each]		
		9,635.00	**-**
B)	**Current**		
	Investments carried at fair value through profit and loss - Mutual Funds		
	Baroda large & Mid Cap fund - Mutual Fund [499,965 (31 March 2020 : Nil) units of ₹ 10 each]	64.05	-
	Baroda Dynamic Equity Fund- Mutual Fund [104,372 (31 March 2020 : Nil) units of ₹ 14.37 each]	15.04	-
	Union Focused Funds - Mutual Fund [199,990 (31 March 2020 : 199,990) units of ₹ 10 each]	29.03	16.96
	Baroda banking and PSU bond fund - Mutual Fund [249,987 (31 March 2020 : Nil) units of ₹ 10 each]	25.01	-
	Canara Robeco Mutual Fund series 8 [Nil (31 March 2020 : 50,000) units of ₹ 10 each]	-	5.82
Total current investment		**133.13**	**22.78**
Aggregate amount of quoted investments (this represents market value as well)		**133.13**	**22.78**

* For related disclosures, refer note 33.

8. Loans **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
A) Non-current		
Loans considered good- unsecured		
Security deposits*	756.73	734.72
Total non-current loans (A)	**756.73**	**734.72**
B) Current		
Loans considered good- unsecured		
Loans to employees	70.76	88.20
Security deposits	23.17	48.03
Total current loans (B)	**93.93**	**136.23**
Total loans (A+B)	**850.66**	**870.95**

*Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.25% per annum (31 March 2020: 6.25% per annum).

9. Other financial assets **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
A) Non-current		
(Unsecured considered good)		
Bank deposits with maturity of more than 12 months (refer note 14)	230.67	217.99
Earnest money deposit	0.73	0.73
Total non-current other financial assets (A)	**231.40**	**218.72**
B) Current		
(Unsecured considered good)		
Insurance claim recoverable	658.49	884.02
Advances recoverable	-	1,248.38
Total current other financial assets (B)	**658.49**	**2,132.40**
Total other financial assets(A+B)	**889.89**	**2,351.12**

10. Other non-current assets **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Capital advances	357.02	635.93
Prepaid expenses	14.14	52.49
Balances with government authorities	2.59	2.59
Total other non-current assets	**373.75**	**691.01**

11. Inventories **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Raw materials {including goods in transit ₹ 2,181.81 lacs (31 March 2020: ₹ 671.98 lacs)}	6,883.55	5,297.28
Work-in-progress	1,009.60	732.22
Finished goods {including goods in transit ₹ 1,507.96 lacs (31 March 2020: ₹ 829.09 lacs;)}	3,400.84	3,016.75
Stores and spares {including goods in transit ₹ 138.60 lacs (31 March 2020: ₹ 24.88 lacs)}	2,370.27	1,990.59
Total inventories	**13,664.26**	**11,036.84**

(i) During the year, the Company has created a provision of ₹ 16.06 lacs (31 March 2020: ₹ 265.04) for raw material and store and spares inventories and ₹447.82 of provision is outstanding as at 31 March 2021 (31 March 2020 : ₹ 431.76 lacs).

(ii) The cost of inventories recognised as expense during the year is ₹ 51,050.90 lacs (31 March 2020: ₹ 62,323.78 lacs)

12. Trade receivables (₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
Trade receivables considered good - unsecured	15,154.31	12,167.76
Less: allowance for expected credit losses	(65.30)	(43.07)
	15,089.01	**12,124.69**
Trade receivables credit impaired	65.32	319.22
Less: allowance for expected credit losses	(38.13)	(319.22)
	27.19	**-**
Total trade receivables	**15,116.20**	**12,124.69**

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

13. Cash and cash equivalents (₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
Cash on hand	3.50	5.33
Balances with banks		
In current accounts	4.21	17.93
Bank deposits with original maturity upto 3 months	30.00	-
Total cash and cash equivalents	**37.71**	**23.26**

14. Other bank balances (₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
Earmarked bank balances		
Unpaid dividend accounts *	43.35	11.70
Bank deposits		
Deposits with remaining maturity for less than 12 months	2,531.83	1,352.03
Deposits with remaining maturity for more than 12 months	230.67	217.99
**Total ** **	**2,805.85**	**1,581.72**
Less:- Amount disclosed under non-current assets (refer note 9)	(230.67)	(217.99)
Total other bank balances	**2,575.18**	**1,363.73**

* The Company can utilise these balances only toward settlement of the respective unpaid dividend.

** Margin money deposit (including interest accured) of ₹1,285.86 lacs (31 March 2020: ₹1,570.02 lacs) are subject to lien of lending banks for securing letter of credit and bank guarantee facilities sanctioned by them.

15. Other current assets (₹ in lacs)

	As at 31 March 2021	As at 31 March 2020
Considered good		
Receivables under export benefit scheme	386.47	329.75
Advance to vendors	1,313.81	626.84
Prepaid expenses	486.78	417.15
Balances with government authorities	656.53	271.69
Other advances	50.57	18.82
	2,894.16	**1,664.25**
Considered doubtful		
Receivables under export benefit scheme	29.31	9.32
Other advances	50.27	50.26
Less: Provision of export benefit receivable	(29.31)	(9.32)
Less: Provision of other advances	(50.27)	(50.26)
	-	-
Total other current assets	**2,894.16**	**1,664.25**

16 A. Equity share capital

	As at 31 March 2021		As at 31 March 2020	
i) Authorised	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Equity shares of ₹ 5 each	15,00,00,000	7,500.00	15,00,00,000	7,500.00
Equity shares of ₹ 10 each	4,79,60,000	4,796.00	4,79,60,000	4,796.00
		12,296.00		**12,296.00**
ii) Issued, subscribed and fully paid up				
Equity shares of ₹ 5 each	8,33,93,759	4,169.69	8,33,93,759	4,169.69
		4,169.69		**4,169.69**

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

	As at 31 March 2021		As at 31 March 2020	
Equity shares	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Balance at the beginning of the year	8,33,93,759	4,169.69	8,33,93,759	4,169.69
Balance at the end of the year	**8,33,93,759**	**4,169.69**	**8,33,93,759**	**4,169.69**

iv) Rights, preferences and restrictions attached to equity share

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

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

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

	As at 31 March 2021		As at 31 March 2020	
Name of the equity shareholder	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Wilemina Finance Corporation, Holding Company				
Equity shares of ₹ 5 each fully paid	4,63,55,012	2,317.75	4,49,15,012	2,245.75
	4,63,55,012	**2,317.75**	**4,49,15,012**	**2,245.75**

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

	As at 31 March 2021		As at 31 March 2020	
	Number	**%**	**Number**	**%**
Wilemina Finance Corporation, Holding Company				
Equity shares of ₹ 5 each fully paid	4,63,55,012	55.59%	4,49,15,012	53.86%
Movi Limited, Promotor Group Company				
Equity shares of ₹ 5 each fully paid	62,60,000	7.51%	41,00,000	4.92%
Vettel International Limited, Public Shareholder				
Equity shares of ₹ 5 each fully paid	87,86,861	10.54%	1,28,76,861	15.44%

vii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

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

	As at 31 March 2020		As at 31 March 2019	
i) Authorised	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Cumulative convertible preference shares of ₹ 50 each	6,00,000	300.00	6,00,000	300.00
Redeemable cumulative preference shares of ₹ 50 each	80,00,000	4,000.00	80,00,000	4,000.00
		4,300.00		**4,300.00**

17. Other equity **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Reserves and surplus		
Capital reserve	3,520.74	3,520.74
Securities premium	6,121.01	6,121.01
Capital redemption reserve	335.37	335.37
General reserve	1,528.16	1,528.16
Retained earnings	35,908.52	25,061.46
Equity component of redeemable financial instrument	76.83	76.83
Total	**47,490.63**	**36,643.57**

i) Nature and purpose of other reserves

Capital reserve

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

Securities premium

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

Capital redemption reserve

The same has been created in accordance with provision of Companies Act, 2013 against redemption of preference shares.

General reserve

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

Retained earnings

Retained earnings represents surplus in the Statement of Profit and Loss.

18. (A) Borrowings **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Secured loans*		
Term loans from:		
Banks	7,067.03	5,169.39
Financial institution	5,333.52	1,687.25
Vehicle loans	386.19	332.34
Lease liabilities	155.70	249.81
Unsecured loans		
Redeemable financial instrument (foreign currency loan) from related party	522.21	509.58
Total borrowings	**13,464.65**	**7,948.37**
Less: Current maturities of non-current borrowings (refer note 23)	3,418.62	2,287.20
Less: Current portion of lease liabilities (refer note 23)	107.51	95.41
Non-current borrowings	**9,938.52**	**5,565.76**

* For liquidity risk related disclosures, refer note 33B

I. Term loans

a) **From Bank of India** of ₹962.58 lacs (31 March 2020: ₹1,297.94 lacs) as Corporate loan for augmentation of working capital bearing floating interest at the rate MCLR plus 1.20% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

b) **From Bank of Baroda** of ₹ 928.80 lacs (31 March 2020: ₹1,253.30 lacs) as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 2.10% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

c) **From Union Bank of India** of ₹748.99 lacs (31 March 2020: ₹1,025.48 lacs) as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 1.9% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

d) **From Canara Bank** of ₹ 1,040.14 lacs (31 March 2020 : ₹1,355.96 lacs) as capex loan for augmentaion of capital expenditure (modification, de-bottlenecking, modernization, cost reduction & mainteance capex). The Term Loan bearing floating interest at the MCLR plus 3.35% per annum. The term is repayable in 60 equal monthly installments starting from September 2019.#

e) **From Karnataka Bank Limited** of ₹1,815.83 lacs (31 March 2020 : ₹236.72 lacs) as capex loan for capital expenditure (purchcase of plant and machineries). The Term Loan bearing floating interest at the MCLR plus 0.50% per annum. The term is repayable in 60 unequal monthly installments starting from October 2020.###

f) **From Tata Capital Financial Services Limited** of ₹ Nil (31 March 2020 : ₹81.11 lacs) as capex loan for capex funding/ reimbursement. The Term Loan bearing floating interest at the LTLR minus 7.75% per annum subject to minimum of 11% per annum. The Corporate loan is repayable in 60 equal monthly installments starting from April 2020.###

g) **From Tata Capital Financial Services Limited** of ₹850.44 lacs (31 March 2020: ₹972.94 lacs) as Corporate loan for augmentation of working Capital bearing floating interest at the LTLR minus 9.10% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from Sep 2019.# #

h) **From Tata Capital Financial Services Limited** of ₹Nil (31 March 2020: ₹633.19 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 Uttarakhand and further secured by personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 6.50% per annum.

i) **From Tata Capital Financial Services Limited** of ₹1,512.02 lacs (31 March 2020 : ₹ Nil) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and Corporate Office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and machinaries installed at factory premises at Uttrakhand and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal quarterly installments starting from Dec 2020. #

j) **From Bajaj Finance Limited** of ₹2,971.07 lacs (31 March 2020 : Nil lacs) as loan for general corporate and capex purpose. The Term Loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term is repayable in 20 equal quarterly installments starting from April 2022 .###

k) **From IDFC Limited** of ₹1,570.68 Lacs (31 March 2020 : ₹Nil lacs) as capex loan for capital expenditure incurred by the Company. The Term Loan bearing floating interest at the MCLR plus 1.95% per annum. The term is repayable in 12 equal quarterly installments starting from Dec 2020.#

\# 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 & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania.

\# \# Above term loans are secured by first pari passu charge on fixed assets of the Company (both present & future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. Above loans are also secured by pledge of 50 lacs equity shares of the company on pari- passu basis held by Wilemina Finance Corporation.

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 personal guarantee of Mr. Arvind Singhania.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.60% per annum to 13.25% per annum. These loans are repayable in monthly installments till December 2025.

III. Redeemable financial instrument

During the financial year 2017-18, the Company had obtained interest free unsecured foreign currency loan from its Holding Company. This foreign currency loan is repayable in two installments of USD 500,000 and USD 285,000 on 15 April 2023 and on 03 May 2023 respectively.

B) Current borrowings* **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand		
from banks	3,660.65	4,465.51
Other loans		
Bills discounting	71.87	2,378.78
Acceptances	3,048.08	836.88
Buyers' credit for raw material	534.36	-
Total borrowings - current	**7,314.96**	**7,681.17**

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

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

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.65% per annum to 1.65% per annum. The bill discounting from banks bear floating interest rate ranging from 7.70% per annum to 9.70% per annum. The Buyer's credit for raw material bear floating interest rate ranging from 0.57% per annum to 0.63% per annum.

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

(₹ in lacs)

Particulars	Borrowings			Total
	Non-current	Current	Lease liabilities	
1 April 2020	**7,698.56**	**7,681.17**	**249.81**	**15,629.54**
Cash flows:				
- Repayments	(2,804.15)	(366.21)	(140.48)	(3,310.84)
- Proceeds	8,422.95	-	-	8,422.95
- Finance cost	1,056.16	394.52	29.37	1,480.05
- Finance cost paid	(1,046.65)	(394.52)	-	(1,441.17)
Non cash:				
-Finance cost adjustment for effective interest rate	(17.92)	-	-	(17.92)
-Addition during the year	-	-	17.00	17.00
31 March 2021	**13,308.95**	**7,314.96**	**155.70**	**20,779.61**
1 April 2019	8,041.91	16,731.41	-	24,773.32
Cash flows:				
- Repayments	(2,493.08)	(9,050.24)	(71.77)	(11,615.09)
- Proceeds	2,109.80	-	-	2,109.80
- Finance cost	961.60	1,067.96	15.52	2,045.08
- Finance cost paid	(949.52)	(1,067.96)	-	(2,017.48)
Non cash:				
- Finance cost adjustment for effective interest rate	27.85	-	-	27.85
- Addition during the year	-	-	306.06	306.06
31 March 2020	**7,698.56**	**7,681.17**	**249.81**	**15,629.54**

19. Provisions **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
A) Provisions - non-current		
Provision for gratuity (refer note 39)	811.65	776.53
Provision for compensated absence	254.47	217.02
Total provisions - non-current	**1,066.12**	**993.55**
B) Provisions - current		
Provision for gratuity (refer note 39)	174.99	152.58
Provision for compensated absence	30.26	51.26
Total provisions - current	**205.25**	**203.84**
Total provisions (A+B)	**1,271.37**	**1,197.39**

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

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	3,657.90	3,723.09
Less: Deferred tax assets	503.22	554.99
Deferred tax liabilities (net)	**3,154.68**	**3,168.10**

(₹ in lacs)

Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehen-sive income	Recognised in statement of changes in equity	As at 31 March 2021
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,686.30	(50.61)	-	-	3,635.69
Redeemable financial instrument	28.60	(6.39)	-	-	22.21
Total	**3,714.90**	**(57.00)**	**-**	-	**3,657.90**
Deferred tax assets arising on account of :				-	
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	534.24	(43.75)	-	-	490.49
Employee benefits	-	(8.55)	8.55	-	-
Others	12.56	0.17	-	-	12.73
Total	**546.80**	**(52.13)**	**8.55**	**-**	**503.22**
MAT credit recognised and utilized during the year*	**-**	86.60	-	**-**	**-**
Deferred tax liabilities (net)	**3,168.10**	**(91.47)**	**(8.55)**	**-**	**3,154.68**

* In previous year, the Company decided to avail lower tax rate option from financial year ending 31 March 2021 as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and accordingly had remeasured its deferred tax balances and written off outstanding MAT credit balance considering the same will not be allowed in future period. However, at the time of filing income tax return for the assessment year 2020-21, after detailed evaluation, the Company identified that said MAT credit can be utilized towards tax liabilities of assessment year 2020-21 and on that basis tax return for assessment year 2020-21 was filed. Accordingly, the Company reinstated ₹86.60 lacs MAT credit balance out of total MAT credit balance written off in books in previous year and utilized the same against tax liabilities for assessment year 2020-21 during the year ended 31 March 2021.

(₹ in lacs)

Particulars	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehen-sive income	Recognised in statement of changes in equity	As at 31 March 2020
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,988.08	(1,301.78)	-	-	3,686.30
Redeemable financial instrument	36.79	(8.19)	-	-	28.60
Total	**5,024.87**	**(1,309.97)**	**-**	-	**3,714.90**
Deferred tax assets arising on account of :					
Unabsorbed depreciation	360.47	(360.47)	-	-	-
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	540.65	(6.41)	-	-	534.24
Employee benefits	-	(28.74)	28.74	-	-
Others	14.48	(1.92)	-	-	12.56
Total	**915.60**	**(397.54)**	**28.74**	-	**546.80**
Minimum alternate tax credit entitlement	1,807.34	(1,807.34)	-	-	-
Deferred tax liabilities (net)	**2,301.93**	**894.91**	**(28.74)**	-	**3,168.10**

21. Other liabilities **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
A) Non-current		
Deferred income*	2,280.43	2,552.40
Total non current liabilities (A)	**2,280.43**	**2,552.40**
B) Current		
Deferred income*	253.40	252.82
Advances from customers	376.81	135.80
Statutory dues	166.60	121.14
Total current liabilities (B)	**796.81**	**509.76**
Total other liabilities (A+B)	**3,077.24**	**3,062.16**

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

22. Trade payable **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises*	274.47	102.80
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,478.05	3,197.47
Total trade payables	**3,752.52**	**3,300.27**

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

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount	274.47	102.80
Interest due thereon	-	-
ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		
Principal amount	2,178.65	1,286.56
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.

23. Other financial liabilities **(₹ in lacs)**

	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer note 18)	3,418.62	2,287.20
Current portion of lease liabilities (refer note 18)	107.51	95.41
Capital creditors	223.51	345.06
Unpaid dividend	43.35	11.70
Deposits from dealer/customer and others	33.79	33.79
Derivative liability	3.09	8.14
Employee related paybles	1,909.63	1,277.41
Others payables	120.38	184.09
Total other financial liabilities	**5,859.88**	**4,242.80**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	98,485.53	103,171.16
Other operating revenue (refer note (i) below)	690.35	698.99
Total revenue from operations	**99,175.88**	**103,870.15**

i) Other operating revenue comprises of the following income:

Sales of scrap	114.70	107.80
Export incentive from merchandise exports from India scheme	241.68	256.97
Duty drawback earned	333.97	334.22
Total revenue from operations (refer note 40)	**690.35**	**698.99**

25. Other income **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on:		
- Fixed deposits {tax deducted at source ₹7.13 lacs (31 March 2020 ₹6.44 lacs)}	86.59	68.14
- Others {tax deducted at source ₹3.81 lacs (31 March 2020: ₹3.39 lacs)}	36.47	48.76
Insurance claim	70.65	190.34
Provisions/liabilities no longer required written back	216.90	36.25
Reversal of impairment of trade receivable	-	19.28
Foreign exchange fluctuation gain (net)	-	147.51
Income recognised on account of government assistance*	253.15	253.78
Gain on fair valuation of financial assets	26.24	-
Miscellaneous income	107.83	125.33
Total other income	**797.83**	**889.39**

* 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 **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Closing stock		
- Finished goods	3,400.84	3,016.75
- Work-in-progress	1,009.60	732.22
	4,410.44	**3,748.97**
Opening stock		
- Finished goods	3,016.75	4,081.43
- Work-in-progress	732.22	637.84
	3,748.97	**4,719.27**
Total changes in inventories	**(661.47)**	**970.30**

27. Employee benefits expense **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	6,123.13	4,790.79
Contribution to provident fund and other funds	282.02	277.08
Gratuity (refer note 39)	130.20	122.32
Staff welfare expenses	273.79	214.76
Total employee benefits expense	**6,809.14**	**5,404.95**

28. Finance cost **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2021
Interest :		
-Term loans	1,056.16	961.60
-Working capital	394.52	1,067.96
-Lease liabilities	29.37	15.52
-Statutory dues	48.45	40.68
-Capital creditors	4.91	12.33
-Buyers credit for raw material	3.41	-
Other borrowing costs	318.25	347.43
Total finance cost	**1,855.07**	**2,445.52**

29. Other expenses **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Manufacturing expenses		
Consumption of stores and spare parts	1,773.65	1,614.33
Consumption of packing material	1,600.70	1,550.04
Power and fuel	7,585.54	7,420.73
Material handling charges	529.29	529.10
Provision for obsolete inventories	13.96	30.33
Total manufacturing expenses (A)	**11,503.14**	**11,144.53**
Selling expenses		
Freight	2,518.64	2,389.07
Commission and brokerage	244.37	204.58
Total selling expenses (B)	**2,763.01**	**2,593.65**
Administration and other expenses		
Rent	113.19	78.01
Rates and taxes	24.12	30.55
Insurance	522.83	322.01
Repairs and maintenance:		
- Building	144.27	104.51
- Plant and machinery	340.77	389.20
- Others	289.86	266.15
Corporate social responsibility expenditure (refer note (i) below)	130.05	41.19
Travelling and conveyance	304.73	606.97
Communication expenses	59.40	75.75
Legal and professional charges	522.62	521.04
Printing and stationery	8.19	9.87
Donations (other than political parties)	8.25	4.32
Director's sitting fees	7.10	6.00
Director's commission	70.00	60.00
Auditors' remuneration (refer note (ii) below)	33.14	30.71
Loss on sale of property, plant and equipment (net)	27.39	172.92
Bad debts, advances and irrecoverable balances written off	15.59	-
Provision for doubtful debts / advances	76.53	39.74
Security services	356.57	327.74
Loss on fair valuation of financial assets	-	2.49
Foreign exchange fluctuation loss (net)	45.82	-
Miscellaneous expenses	371.86	373.52
Total administrative and other expenses (C)	**3,472.28**	**3,462.69**
Total other expenses (A+B+C)	**17,738.43**	**17,200.87**

i) Corporate social responsibility expenses

Gross amount required to be spent by the Company during the year is ₹ 129.78 lacs (31 March 2020: ₹ 25.73 Lacs).
Amount spent during the year on corporate social responsibility: ₹ 130.05 lacs (31 March 2020: ₹ 41.19 lacs).

(₹ in lacs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2021	-	-	-
	31 March 2020	-	-	-
On purposes other than above	31 March 2021	130.05	-	**130.05**
	31 March 2020	41.19	-	**41.19**

ii) Auditors' remuneration **(₹ in lacs)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Statutory audit fee (excluding taxes)	15.00	13.00
- Limited review fee (excluding taxes)	18.00	15.00
- Out of pocket expenses (excluding taxes)	0.14	2.71
	33.14	**30.71**

30. Tax expenses **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	4,881.55	3,011.86
Deferred tax	(91.47)	894.91
Income tax expense recognised in the statement of profit and loss	**4,790.08**	**3,906.77**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss are as follows:

Accounting profit before income tax	**18,997.85**	**13,856.64**
At India's statutory income tax rate of 25.17% (31 March 2020: 34.944%)	4,781.76	4,842.06
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment on account of Minimum alternate tax credit	(86.60)	86.59
Tax impact of expenses which will never be allowed	49.30	16.67
Impact of tax rate changes	-	(1,038.55)
Earlier year tax paid in current year	29.97	-
Others	15.65	-
Income tax expense	**4,790.08**	**3,906.77**

31. Earning per share (EPS)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders (₹ in lacs)	14,207.77	9,949.87
Profit attributable to equity shareholders adjusted for the effect of dilution (₹ in lacs)	**14,207.77**	**9,949.87**
Weighted average number of equity shares for basic EPS	8,33,93,759	8,33,93,759
Weighted average number of equity shares adjusted for the effect of dilution	**8,33,93,759**	**8,33,93,759**
Earnings per equity share		
Basic (₹)	17.04	11.93
Diluted (₹)	17.04	11.93

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 **(₹ in lacs)**

Particulars	Level	31 March 2021	31 March 2020
Financial assets			
Investments in mutual funds	Level 1	133.13	22.78
Total financial assets		**133.13**	**22.78**
Financial liabilities			
Derivative liability	Level 2	3.09	8.14
Total financial liabilities		**3.09**	**8.14**

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed **(₹ in lacs)**

Particulars	Level	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposits	Level 3	756.73	756.73	734.72	734.72
Earnest money deposit		0.73	0.73	0.73	0.73
Total financial assets		**757.46**	**757.46**	**735.45**	**735.45**
Borrowings*	Level 3	13,464.65	13,464.65	7,948.37	7,948.37
Total financial liabilities		**13,464.65**	**13,464.65**	**7,948.37**	**7,948.37**

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

* 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:

(₹ in lacs)

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	133.13	-	22.78	-
Investments in subsidiary	-	9,635.00	-	-
Trade receivables	-	15,116.20	-	12,124.69
Loans	-	850.66	-	870.95
Cash and cash equivalents	-	37.71	-	23.26
Other bank balances	-	2,805.85	-	1,581.72
Other financial assets	-	889.89	-	2,351.12
Total financial assets	**133.13**	**29,335.31**	**22.78**	**16,951.74**
Financial liabilities				
Borrowings	-	20,779.61	-	15,629.54
Trade payables	-	3,752.52	-	3,300.27
Security deposits	-	33.79	-	33.79
Derivative liabilities	-	3.09	-	8.14
Other financial liabilities	-	2,296.87	-	1,913.67
Total financial liabilities	**-**	**26,865.88**	**-**	**20,885.41**

(i) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis	Diversification of bank deposits and investments, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - Interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect market factors
Price risk - security price	Investments in mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low credit risk
B: Moderate credit risk
C: High credit risk

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

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

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

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

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

Description	Particulars	31 March 2021	31 March 2020
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	29,468.44	16,974.52
High credit risk	Trade receivables	103.43	358.41

ii) Concentration of financial assets

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

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Polyester film	8,926.01	8,096.32
Engineering plastics	6,190.19	4,028.37

b) Credit risk exposure

Provision for expected credit losses

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

31 March 2021 (₹ in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	15,219.63	103.43	15,116.20
Loans	850.66	-	850.66
Cash and cash equivalents	37.71	-	37.71
Other bank balances	2,805.85	-	2,805.85
Other financial assets	889.89	-	889.89
Investments	133.13	-	133.13
Total financial assets	**19,936.87**	**103.43**	**19,833.44**

31 March 2020 (₹ in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	12,486.98	362.29	12,124.69
Loans	870.95	-	870.95
Cash and cash equivalents	23.26	-	23.26
Other bank balances	1,363.73	-	1,363.73
Other financial assets	2,351.12	-	2,351.12
Investments	22.78	-	22.78
Total financial assets	**17,118.82**	**362.29**	**16,756.53**

Expected credit loss for trade receivables under simplified approach

As at 31 March 2021 (₹ in lacs)

Particulars	Not Due	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	14,442.22	606.30	47.53	46.36	11.86	0.02	0.02
Expected credit loss (impairment)	23.22	4.04	14.48	11.82	11.74	0.00	0.00
Carrying amount (net of impairment)	14,419.00	602.26	33.05	34.54	0.12	0.01	0.02

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	60.38	2.91	2.04	-
Expected credit loss (impairment)	33.18	2.91	2.04	-
Carrying amount (net of impairment)	27.19	-	-	-

As at 31 March 2020 **(₹ in lacs)**

Particulars	Not Due	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	10,555.07	1,494.08	11.09	104.62	2.89	0.00	0.01
Expected credit loss (impairment)	17.76	24.71	0.27	0.26	0.07	0.00	0.00
Carrying amount (net of impairment)	10,537.31	1,469.37	10.82	104.36	2.82	0.00	0.01

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	2.12	22.93	76.96	217.22
Expected credit loss (impairment)	2.12	22.93	76.96	217.22
Carrying amount (net of impairment)	-	-	-	-

Reconciliation of loss allowance	(₹ in lacs) Amount
Loss allowance as on 1 April 2020	**362.29**
Impairment loss written off during the year	(315.39)
Impairment loss created during the year	56.53
Loss allowance on 31 March 2021	**103.43**

(B) Liquidity risk

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

Maturities of financial liabilities

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

(₹ in lacs)

31 March 2021	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	11,906.58	8,227.82	3,052.45	**23,186.85**
Trade payables	3,752.52	-	-	**3,752.52**
Other financial liabilities	2,333.75	-	-	**2,333.75**
Total	**17,992.85**	**8,227.82**	**3,052.45**	**29,273.12**

(₹ in lacs)

31 March 2020	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	10,882.09	5,146.63	1,168.26	**17,136.98**
Trade payables	3,300.27	-	-	**3,300.27**
Other financial liabilities	1,860.19	-	-	**1,860.19**
Total	**15,982.55**	**5,146.63**	**1,168.26**	**22,297.44**

The Company had access to following funding facilities :

As at 31 March 2021 **(₹ in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	27,400.00	10,428.22	16,971.78
More than 1 year	5,000.00	3,611.81	1,388.19
Total	**32,400.00**	**14,040.03**	**18,359.97**

As at 31 March 2020 **(₹ in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	27,600.00	9,567.32	18,032.68
More than 1 year	5,000.00	317.83	4,682.17
Total	**32,600.00**	**9,885.15**	**22,714.85**

(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:

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Variable rate borrowing	20,237.72	15,047.39
Fixed rate borrowing	541.89	582.15
Total borrowings	**20,779.61**	**15,629.54**

Sensitivity

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

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 basis point (31 March 2020: 50 basis point)	75.72	48.95
Interest rates – increase by 50 basis point (31 March 2020: 50 basis point)	(75.72)	(48.95)

** 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 (₹ in lacs)	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Receivables					
Trade receivable	USD	8,024,428	5,630,452	5,897.95	4,244.23
	GBP	47,134	41,148	47.61	38.29
	EURO	773,632	610,283	666.10	506.54
Advances recoverable	EURO	-	1,478,097	-	1,181.83
Payables					
Trade payables	GBP	2,802	-	2.83	-
	EURO	37,085	52,305	31.93	43.41
	USD	1,222,494	1,584,523	898.53	1,194.41
Acceptances	USD	4,144,792	996,000	3,046.42	750.78
Buyer's credit for raw material	USD	728,270	-	535.28	-
Bills discounting	USD	52,174	2,374,049	38.35	1,789.56
	EURO	38,494	350,798	33.14	291.16
Foreign currency unsecured loan	USD	785,000	785,000	576.97	591.73

Sensitivity

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

(₹ in lacs)

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
USD sensitivity		
INR/USD increase by 4.69% (31 March 2020- 5.45%)	28.16	(2.92)
INR/USD decrease by 4.69% (31 March 2020- 5.45%)	(28.16)	2.92
GBP sensitivity		
INR/GBP increase by 8.31% (31 March 2020- 10.26%)	2.78	2.56
INR/GBP decrease by 8.31% (31 March 2020- 10.26%)	(2.78)	(2.56)
EUR sensitivity		
INR/EUR increase by 6.89% (31 March 2020- 7.57%)	30.99	66.67
INR/EUR decrease by 6.89% (31 March 2020- 7.57%)	(30.99)	(66.67)

(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	31 March 2021	31 March 2020
Investments in mutual funds		
Price increase by (5%) - FVTPL instrument	4.98	0.74
Price decrease by (5%) - FVTPL instrument	(4.98)	(0.74)

34. Segment reporting

The Company operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the 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 31 March 2021 **(₹ in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	78,676.35	20,499.53	99,175.88	-	**99,175.88**
Total revenue	78,676.35	20,499.53	99,175.88	-	**99,175.88**
Income/(expenses)					
Other income	-	-	-	797.83	**797.83**
Cost of material consumed	37,711.93	13,885.41	51,597.34	115.03	**51,712.37**
Changes in inventories of finished goods and work-in-progress	(1,039.53)	378.06	(661.47)	-	**(661.47)**
Depreciation and amortisation	2,921.28	193.49	3,114.77	407.55	**3,522.32**
Finance costs	-	-	-	1,855.07	**1,855.07**
Other expenses	15,839.02	1,977.67	17,816.69	6,730.88	**24,547.57**
Segment Profit	23,243.65	4,064.90	27,308.55	(8,310.70)	**18,997.85**
Segment assets	49,037.53	12,159.23	61,196.76	25,155.19	**86,351.95**
Segment liabilities	5,817.72	1,502.28	7,320.00	27,371.63	**34,691.63**
Other disclosures					
Capital expenditure	3,207.67	8.18	3,215.85	1,558.95	**4,774.80**

Year ended 31 March 2020 **(₹ in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	87,792.22	16,077.93	103,870.15	-	**103,870.15**
Total revenue	87,792.22	16,077.93	103,870.15	-	**103,870.15**
Income/(expenses)					
Other income	-	-	-	889.39	**889.39**
Cost of material consumed	48,149.26	12,992.39	61,141.65	211.83	**61,353.48**
Changes in inventories of finished goods and work-in-progress	721.04	249.26	970.30	-	**970.30**
Depreciation and amortisation	2,949.15	186.12	3,135.27	392.51	**3,527.78**
Finance costs	-	-	-	2,445.52	**2,445.52**
Other expenses	14,935.80	1,786.65	16,722.45	5,883.37	**22,605.82**
Segment Profit	21,036.97	863.51	21,900.48	(8,043.84)	**13,856.64**
Segment assets	45,882.85	9,546.41	55,429.26	13,677.92	**69,107.18**
Segment liabilities	5,254.48	1,500.06	6,754.54	21,539.38	**28,293.92**
Other disclosures					
Capital expenditure	3,271.98	80.95	3,352.93	564.17	**3,917.10**

Revenue as per geographical market **(₹ in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from external customers:		
India	72,293.71	79,785.80
Outside India	26,882.17	24,084.35
Total revenue per statement of profit or loss	**99,175.88**	**103,870.15**
Segment receivables		
India	8,540.82	7,311.03
Outside India	6,575.38	4,813.66
Total	**15,116.20**	**12,124.69**

Information about major customer

During the year ended 31 March 2021 revenue of approximately 6.33% (31 March 2020: 11.13%) was derived from a single external customer in the polyester film business and approximately 12.42% in 31 March 2021 (31 March 2020: 13.16%) 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:

(a) Debt equity ratio **(₹ in lacs)**

	31 March 2021	31 March 2020
Total borrowings*	20,779.61	15,534.13
Total equity	51,660.32	40,813.26
Net debt to equity ratio	**40%**	**38%**

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

(b) Dividends **(₹ in lacs)**

Particulars	As at 31 March 2021	As at 31 March 2020
1. Equity shares - Dividend Paid		
Final dividend for the year ended 31 March 2020 of ₹ 2.50 per share (excluding tax)	2,084.84	-
Final dividend for the year ended 31 March 2019 of ₹ 0.50 per share (including tax)	-	502.68
Interim dividend for the year ended 31 March 2021 of ₹ 1.50 per share (excluding tax)	1,250.91	-
2. Equity shares - Dividend Proposed		
Proposed final dividend for the year ended 31 March 2021 of ₹ 1.90 per share (excluding tax) ^	1,584.48	2,084.84

^ The Board of Directors at its meeting held on 18 May 2021, has recommended final dividend of ₹ 1.90/- {Rs. One and ninety paise only} per equity share for the year ended on 31 March 2021, subject to the approval of the shareholders of the Company in the forthcoming Annual General Meeting.

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	**31 March 2021**	**31 March 2020**
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Holding Company	Holding Company
Ester Filmtech Limited	Wholly owned Subsidary Company (w.e.f. 21 July 2020)	NA
Mr. Arvind Singhania (Chairman and CEO)	Key managerial personnel	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director & CFO)	Key managerial personnel	Key managerial personnel
Mrs. Archana Singhania (Director)	Key managerial personnel	Key managerial personnel
Mr. Ashok Kumar Newatia (Independent Director)	Key managerial personnel	Key managerial personnel
Dr. Anand Chand Burman (Independent Director)	Key managerial personnel	Key managerial personnel
Mr. M S Ramachandran (Independent Director)	Key managerial personnel	Key managerial personnel
Mr. Sandeep Dinodia (Independent Director)	Key managerial personnel	Key managerial personnel
Mr. P S Dasgupta (Independent Director)	Key managerial personnel	Key managerial personnel
Mrs. Padmaja Shailen Ruparel (Independent Director)	Key managerial personnel (joined w.e.f. 1 April 2020)	NA
Mr. Dinesh Chandra Kothari (Independent Director)	NA	Key managerial personnel (resigned w.e.f. 10 November 2019)
Mr. Ayush Vardhan Singhania (son of Mr. Arvind Singhania)	Relatives of Key managerial personnel	Relatives of Key managerial personnel

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

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel		Relative of key managerial personnel		Wholly owned Subsidary Company		Total	Total
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	**Managerial remuneration**								
	Arvind Singhania	318.40	290.25	-	-	-	-	**318.40**	**290.25**
	Pradeep Kumar Rustagi	108.82	105.99	-	-	-	-	**108.82**	**105.99**
2	**Commision to Directors**								
	Arvind Singhania	1,200.00	1,110.00	-	-	-	-	**1,200.00**	**1,110.00**
	Pradeep Kumar Rustagi	-	20.00	-	-	-	-	**-**	**20.00**

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel		Relative of key managerial personnel		Wholly owned Subsidary Company		Total	Total
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Anand Chand Burman	10.00	10.00	-	-	-	-	**10.00**	**10.00**
	Ashok Kumar Newatia	10.00	10.00	-	-	-	-	**10.00**	**10.00**
	M S Ramachandran	10.00	10.00	-	-	-	-	**10.00**	**10.00**
	Sandeep Dinodia	10.00	10.00	-	-	-	-	**10.00**	**10.00**
	Padmaja Shailen Ruparel	10.00	-	-	-	-	-	**10.00**	**-**
	P S Dasgupta	10.00	10.00	-	-	-	-	**10.00**	**10.00**
	Archana Singhania	-	-	10.00	10.00	-	-	**10.00**	**10.00**
3	**Sitting Fees**								
	Archana Singhania	-	-	0.70	0.50	-	-	**0.70**	**0.50**
	Anand Chand Burman	0.40	0.40	-	-	-	-	**0.40**	**0.40**
	Ashok Kumar Newatia	1.50	1.40	-	-	-	-	**1.50**	**1.40**
	M S Ramachandran	1.80	1.70	-	-	-	-	**1.80**	**1.70**
	Sandeep Dinodia	1.40	1.20	-	-	-	-	**1.40**	**1.20**
	Padmaja Shailen Ruparel	0.40	-	-	-	-	-	**0.40**	**-**
	Dinesh Chandra Kothari	-	0.30	-	-	-	-	**-**	**0.30**
	P S Dasgupta	0.90	0.50	-	-	-	-	**0.90**	**0.50**
4	**Salary paid**								
	Ayush Vardhan Singhania	-	-	97.93	68.00	-	-	**97.93**	**68.00**
5	**Investment in Subsidary**								
	Ester Filmtech Limited	-	-	-	-	9,635.00	-	**9,635.00**	**-**

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

(₹ in lacs)

	Guarantees given against loans taken (jointly and severally) by the Company	Year	Amount
1	Arvind Singhania	31 March 2021	19,871.21
		31 March 2020	14,787.62

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

(₹ in lacs)

Sr. No.	Particulars	Year	Amount
1	**Unsecured loan**		
	Wilemina Finance Corporation	31 March 2021*	576.97
		31 March 2020*	591.73
2	**Guarantees given against loans taken (jointly and severally) by the Company**		
	Wilemina Finance Corporation	31 March 2021	14,928.61
		31 March 2020	13,586.79

* includes foreign exchange fluctuation of ₹ 72.90 lacs (31 March 2020 ₹ 87.66 Lacs)

(d) Key managerial personnel compensation:

Nature of transactions	31 March 2021	31 March 2020
Short-term employee benefits	1,627.22	1,526.24
Post-employment benefits	9.25	24.83
Other long-term benefits	2.18	13.59
	1,638.65	**1,564.66**

37. Contingent liabilities and commitments

(₹ in lacs)

Particulars		31 March 2021	31 March 2020
A. Contingent liabilities*			
1	Claims against the Company not acknowledged as debts^	25.43	25.43
2	Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 #	22.87	22.87
3	There is a contingent liability of:		
i)	Excise duty/custom duty/service tax demands not acknowledged as liability	968.46	948.10
ii)	Demand raised by Income Tax department, disputed by the Company and pending in appeal	33.88	51.48

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

^ These claims represents various civil cases filed against the Company by various vendors and ex-employees of the Company.

In view of the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, the Company has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 1 April 2014, the Company on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

(₹ in lacs)

B. Commitments		31 March 2021	31 March 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,721.32	552.62
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	8,990.48	12,950.01

38. Leases disclosure as lessee

Lease liabilities are presented in the statement of financial position as follows:

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Current liabilities (amount due within one year)	107.51	95.41
Non current liabilities (amount due over one year)	48.19	154.40

The Company's leased asset classes primarily consist of leases for land, certain equipments and building, including warehouses and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

For some of the leases, the lessee may terminate the lease by giving 3 months notice period to lessor, subject to other terms and conditions. At the end of the tenor under certain leases, lessee can avail to buy the asset at the agreed value as per buyback agreement between the lessor and lessee.

Right of use asset as at 31 March 2021 amounting to ₹209.21 lacs (31 March 2020 amounting to ₹305.26 lacs) are for the leases of equipments and lease of land.

A Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the Financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹113.19 lacs (31 March 2020 amounting to ₹78.01 lacs).

B Total cash outflow for leases for the year ended 31 March 2021 was ₹140.48 lacs (year ended 31 March 20 was ₹71.77 lacs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Minimum lease payments due as on 31 March 2021						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 Years	Total
Lease payments	120.40	48.63	0.15	0.15	0.15	11.00	**180.48**
Interest expense	(12.89)	(1.74)	(0.15)	(0.15)	(0.15)	(9.70)	**(24.78)**
Net present values	**107.51**	**46.89**	**0.00**	**0.00**	**0.00**	**1.30**	**155.70**

D Information about extension and termination options

Leases entered into	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Equipments	7	13 to 20 Months	17 Months	4	4	4
building, including warehouses and related facilities (short term)	8	0 to 11 Months	6 Months	5	None	4
Land for sitarganj manufacturing facility	3	78 years	78 years	3	None	2

E Expected future cash outflow on account of variable lease payments as at 31 March 2021 is of ₹ Nil.

F The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of ₹ Nil.

39. Employee benefits obligations

I Gratuity

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

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

(i) ***Amounts recognised in the balance sheet*** **(₹ in lacs)**

Particulars	31 March 2021	31 March 2020
Current liability	174.99	152.58
Non-current Liability	811.65	776.53
Total	**986.64**	**929.11**

(ii) ***Movement in the liability recognised in the balance sheet is as under:*** **(₹ in lacs)**

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	929.11	752.25
Current service cost	68.88	64.70
Interest cost	61.32	57.62
Actuarial loss (net)	33.51	104.26
Benefits paid	(106.18)	(49.72)
Present value of defined benefit obligation at the end of the year	**986.64**	**929.11**

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

Particulars	31 March 2021	31 March 2019
Current service cost	68.88	64.70
Interest cost	61.32	57.62
Cost recognised during the year	**130.20**	**122.32**

(iv) ***Expenses recognised in other comprehensive income*** **(₹ in lacs)**

Particulars	31 March 2021	31 March 2020
Actuarial loss net on account of:		
- Changes in demographic assumptions	-	(0.23)
- Changes in financial assumptions	(5.69)	54.55
- Changes in experience adjustment	39.20	49.94
Cost recognised during the year	**33.51**	**104.26**

	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
- Changes in experience adjustment loss/ (gain)	39.20	49.94	(11.18)	0.39	(14.66)

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.70%	6.60%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	58 Years	58 Years
Average past service (years)	14.86 Years	15.16 Years
Average age	43.70 Years	43.96 Years
Average remaining working life	14.30 Years	14.04 Years
Weighted average duration	11.68 Years	11.57 Years
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

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

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

Year 31 March 2021	Year 31 March 2020	Amount 31 March 2021	Amount 31 March 2020
April 2021- March 2022	April 2020- March 2021	174.99	54.55
April 2022- March 2023	April 2021- March 2022	125.99	77.72
April 2023- March 2024	April 2022- March 2023	57.90	106.92
April 2024- March 2025	April 2023- March 2024	99.51	62.94
April 2025- March 2026	April 2024- March 2025	74.54	83.48
April 2026- March 2027	April 2025- March 2026	80.02	62.53
April 2027 onwards	April 2026 onwards	373.69	480.94

(vi) ***Sensitivity analysis*** **(₹ in lacs)**

Particulars	31 March 2021	31 March 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**986.64**	**929.11**
Impact due to increase of 0.50%	(27.47)	(26.66)
Impact due to decrease of 0.50%	29.25	28.34
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**986.64**	**929.11**
Impact due to increase of 0.50%	29.60	28.67
Impact due to decrease of 0.50%	(28.03)	(27.18)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.
Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

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

II Provident fund

Provident fund for certain eligible employees is managed by the Company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at March 31, 2021 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Company towards provident fund.

(₹ in lacs)

(i)	**Projected benefit obligation**	**31 March 2021**	**31 March 2020**
	Projected benefit obligation at beginning of year	1,487.88	1,406.84
	Current service cost	95.88	88.73
	Interest cost	126.65	107.76
	Contributions by plan participants/employees	125.47	106.50
	Actuarial loss / (gain) due to interest guarantee	(87.75)	4.81
	Benefits paid	(194.01)	(268.84)
	Settlements/transfer In	104.70	42.08
	Projected benefit obligation at end of year	1,658.82	1,487.88

(ii)	**Reconciliation of plan assets**	**31 March 2021**	**31 March 2020**
	Fair value of plan asset at beginning of year	1,588.12	1,495.14
	Actual return on plan asset	121.35	124.51
	Employer contribution	95.88	88.73
	Plan participants/employee contribution	125.47	106.50
	Benefit paid	(194.01)	(268.84)
	Settlements/transfer in	104.70	42.08
	Fair value of plan asset at the end of the year	1,841.51	1,588.12

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

(iii)	**Economic assumptions**	**31 March 2021**	**31 March 2020**
	i) Interest rate	8.50%	8.50%
	ii) Discount rate	6.70%	6.60%
	iii) Expected shortfall in Interest earning on the fund	0.05%	0.05%

(iv)	**Demographic assumptions**	**31 March 2021**	**31 March 2020**
	i) Mortality	IALM (2012-14)	IALM (2012-14)
	ii) Normal Retirement Age	58	58

(v)	**Actuarial (Gain)/Loss on Obligation**	**31 March 2021**	**31 March 2020**
	i) Actuarial loss on arising from change in demographic assumption	-	0.02
	ii) Actuarial loss/ (gain) on arising from change in financial assumption	(0.04)	0.28
	iii) Actuarial loss/ (gain) on arising from experience adjustment	(87.71)	4.51

(₹ in lacs)

	31 March 2021	**31 March 2020**	**31 March 2019**
- Changes in experience adjustment loss/ (gain)	(87.71)	4.51	(3.03)

(vi)	Major categories of plan assets (as percentage of total plan assets)	31 March 2021	31 March 2020
	i) Funds managed by insurer	100%	100%

III The Company has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31 March 2021	31 March 2020
Employer's contribution to Ester Industries Limited Employee's Provident Trust	95.88	88.73
Employer's contribution to other Provident Fund	123.72	122.52
Employer's contribution to Superannuation Fund	54.34	55.35
Employer's contribution to labour welfare fund and employee state insurance	8.08	10.48

40 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

(₹ in lacs)

Revenue from operations	Goods	Other operating revenue*	
Revenue by geography			
Domestic	71,603.36	114.70	71,718.06
Export	26,882.17	-	26,882.17
Total	**98,485.53**	**114.70**	**98,600.23**

*Other operating revenue amounting to ₹575.65 lacs (31 March 2020:₹ 591.19 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(b) Assets and liabilities related to contracts with customers **(₹ in lacs)**

Description	31 March 2021		31 March 2020	
	Non-current	Current	Non-current	Current
Contract liabilities				
Advance from customers	-	376.81	-	135.80

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price **(₹ in lacs)**

Description	31 March 2021	31 March 2020
Contract price	98,666.55	103,382.13
Less: Discount, rebates, credits etc.	66.32	103.17
Revenue from operations as per Statement of Profit and Loss	**98,600.23**	**103,278.96**

Note- Other operating revenue amounting to ₹575.65 lacs (31 March 2020:₹ 591.19 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	31 March 2021	31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	376.81	135.80
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

41 During the current year on 21 July 2020, Company has formed a wholly owned subsidiary Company Ester Filmtech Limited ("the Subsidiary Company"). The non current investments in the financial statements represents the amount of share capital invested into the Company.

42 Previous period figures have been re-grouped/reclassified wherever necessary, to conform to current periods classification.

43 No subsequent event occurred post balance sheet date which requires adjustment in the financial statements for the year ended 31 March 2021.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Faridabad
Date: 18 May 2021

For and on behalf of the Board of Directors

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Dubai
Date: 18 May 2021

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Place: Gurugram
Date: 18 May 2021

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place: Gurugram
Date: 18 May 2021

Independent Auditor's Report

To the Members of Ester Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of products Revenue of the Holding Company majorly comprises of revenue from sale of polyester films and engineering plastics. The Holding Company sells its products through various distribution channels involving a high volume of sale transactions. The Holding Company recognised an amount of ₹ 99,175.88 lacs as revenue for the year ended 31 March 2021, as disclosed in Note 24 to the consolidated financial statements. Refer Note 5.5 for the related accounting policy adopted by the management for recognition of revenue in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') Revenue recognition is a significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred. Revenue is also a key performance indicator of the Company and accordingly, testing occurrence of revenue transactions is a key focus area for our audit We determined this to be a key audit matter due to significant time and effort involved in testing revenue recorded during the year.	Our audit procedures included, but were not limited, to the following: • Obtained an understanding of the process of identification and recording of revenue transaction from sale of polyester films and engineering plastics. • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc; • On a sample basis, evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition accounting policy adopted by the management is in accordance with Ind AS 115; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act, based on our audit, we report that the Holding Company paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

15. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:

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

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure II;

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

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 37 to the consolidated financial statements;

        ii. the Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2021; and

        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 consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABY8447

Place: Faridabad
Date: 18 May 2021

Annexure I

List of entity included in the Statement

1. Ester Filmtech Limited (Wholly-owned subsidiary)

Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABY8447

Place: Faridabad
Date: 18 May 2021

CONSOLIDATED BALANCE SHEET as at 31 March 2021

(₹ in lacs)

		As at 31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	6A	37,389.67
Right of use asset	6B	209.21
Capital work-in-progress	6C	7,639.65
Intangible assets	6A	79.80
Financial assets		
Loans	7A	756.73
Other financial assets	8A	231.40
Income tax assets (net)		319.96
Other non-current assets	9	4,141.45
Total non-current assets		**50,767.87**
Current assets		
Inventories	10	13,664.26
Financial assets		
Investments	11	133.13
Trade receivables	12	15,116.20
Cash and cash equivalents	13	181.45
Other bank balances	14	2,575.18
Loans	7B	95.83
Other financial assets	8B	658.49
Other current assets	15	2,977.49
Total current assets		**35,402.03**
Total assets		**86,169.90**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	16A	4,169.69
Other equity	17	47,032.22
Total equity		**51,201.91**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	18A	9,938.52
Provisions	19A	1,066.12
Deferred tax liabilities (net)	20	3,154.68
Other non-current liabilities	21A	2,280.43
Total non-current liabilities		**16,439.75**
Current liabilities		
Financial liabilities		
Borrowings	18B	7,314.96
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	22	274.47
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,492.20
Other financial liabilities	23	6,117.05
Other current liabilities	21B	801.85
Provisions	19B	205.25
Current tax liabilities (net)		322.46
Total current liabilities		**18,528.24**
Total equity and liabilities		**86,169.90**

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the financial statements.

This is the consolidated balance sheet referred to in our report of even date.

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Partner	**Chairman & CEO**	**Executive Director and CFO**	**Head-Legal & Company Secretary**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	**M No: A22282**
Place: Faridabad	Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2021

(₹ in lacs)

	Notes	For the year ended 31 March 2021
Revenue		
Revenue from operations	24 and 40	99,175.88
Other income	25	797.83
Total revenue		**99,973.71**
Expenses		
Cost of material consumed		51,712.37
Changes in inventories of finished goods and work-in-progress	26	(661.47)
Employee benefits expense	27	6,816.65
Finance costs	28	1,857.22
Depreciation and amortisation expenses	6	3,523.35
Other expenses	29	18,186.15
Total expenses		**81,434.27**
Profit before tax		**18,539.44**
Tax expense	30	
Current tax		4,881.55
Deferred tax		(91.47)
Total tax expenses		**4,790.08**
Profit after tax		**13,749.36**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement loss on defined benefit plans		(33.51)
Income tax effect		8.55
Total comprehensive income		**13,724.40**
Earnings per equity share		
Basic (₹)	31	16.49
Diluted (₹)	31	16.49

Summary of significant accounting policies 1-5

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

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Faridabad
Date: 18 May 2021

For and on behalf of the Board of Directors

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Dubai
Date: 18 May 2021

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Place: Gurugram
Date: 18 May 2021

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place: Gurugram
Date: 18 May 2021

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2021

(₹ in lacs)

	Particulars	For the year ended 31 March 2021
A	**Cash flow from operating activities**	
	Profit before tax	18,539.44
	Adjustments for:	
	Depreciation and amortisation expense	3,523.35
	Loss on sale of property, plant and equipments (net)	27.39
	Finance costs	1,482.20
	Interest income on financials assets measured at amortised cost	(123.06)
	Unrealised foreign exchange gain	(16.18)
	Bad debts, advances and irrecoverable balances written off	15.59
	Provisions/liabilities no longer required written back	(216.90)
	Income recognised on account of government assistance	(253.15)
	Provision for doubtful debts / advances	76.53
	Gain on fair valuation of financial assets	(26.24)
	Provision for obsolete inventories	13.96
	Operating profit before working capital changes and other adjustments:	**23,042.93**
	Working capital changes and other adjustments:	
	Decrease in current and non-current loans	18.39
	(Increase) in other non-current and current assets	(748.44)
	(Increase) in inventories	(2,641.38)
	Increase in other financial and non-financial liabilities	1,083.08
	Increase in provisions	40.47
	Decrease in other non-current and current financial assets	837.98
	(Increase) in trade receivables	(2,955.46)
	Increase in trade payables	422.53
	Cash flow from operating activities post working capital changes	**19,100.10**
	Income tax paid (net of refunds)	(4,548.75)
	Net cash flow from operating activities (A)	**14,551.35**
B	**Cash flows from investing activities**	
	Purchase of property plant and equipments (including capital work-in-progress and intangible assets)	(13,586.02)
	Sale of property plant and equipments	13.35
	Investment in bank deposits	(1,537.74)
	Proceeds from pledged deposits	360.36
	Interest received	107.96
	Purchase of investment (net)	(84.11)
	Net cash used in investing activities (B)	**(14,726.20)**
C	**Cash flows from financing activities**	
	Proceeds from long-term borrowings	8,422.95
	Repayment of long-term borrowings	(2,804.15)
	Repayment of lease liability	(140.48)
	Repayment of short-term borrowings (net)	(366.21)
	Finance cost paid	(1,443.32)
	Dividend paid (including tax)	(3,335.75)
	Net cash used in financing activities (C)	**333.04**
D	Net increase in cash and cash equivalents (A+B+C)	158.19
E	Cash and cash equivalents at the begining of the year (refer note no. 13)	23.26
F	**Cash and cash equivalents at the end of the year (D+E) (refer note no. 13)**	**181.45**
	Reconcilation of cash and cash equivalents as per cash flow statement	
	Cash in hand	3.50
	Balances with banks:	
	In current accounts	147.95
	Bank deposits with original maturity upto 3 months	30.00
	Total of cash and cash equivalents	**181.45**

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

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

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Partner	**Chairman & CEO**	**Executive Director and CFO**	**Head-Legal & Company Secretary**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	**M No: A22282**
Place: Faridabad	Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at 31 March 2021

Equity share capital **(₹ in lacs)**

Particulars	Opening balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity **(₹ in lacs)**

Particulars	Equity component of redeemable financial instrument	Reserves and surplus					Total
		Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	
Balance as at 1 April 2020	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**25,061.46**	**36,643.57**
Profit for the year	**-**	**-**	**-**	**-**	**-**	13,749.36	**13,749.36**
Other comprehensive income							
Re-measurement losses on defined benefit plans	**-**	**-**	**-**	**-**	**-**	(24.96)	**(24.96)**
Transactions with owners							
Dividend paid	**-**	**-**	**-**	**-**	**-**	(3,335.75)	**(3,335.75)**
Balance as at 31 March 2021	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**35,450.11**	**47,032.22**

This is the consolidated statement of change in equity refered 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

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Partner	**Chairman & CEO**	**Executive Director and CFO**	**Head-Legal & Company Secretary**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	**M No: A22282**
Place: Faridabad	Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

1. Nature of operations

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

2. General information and compliance with Ind AS

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

The consolidated financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 18 May 2021. The revisions to the consolidated financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value as explained in relevant accounting policies.
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

3. Standards issued but not yet effective

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

4. Basis of Consolidation

Subsidiary

Subsidiary is the entity over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Holding Company can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements.

Subsidiary is fully consolidated from the date on which control is transferred to the Holding Company. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its separate financial statements.

Intercompany transactions, balances and unrealised gains on transactions between Company and its subsidiary (jointly referred to as the 'Group' herein under) are eliminated. Accounting policies of subsidiary is consistent with the policies adopted by the Holding Company.

5. Summary of significant accounting policies

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

5.1 Current versus non-current classification

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

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the period until payment.

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

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

Subsequent measurement (depreciation and useful lives)

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

Asset class	**Useful life**
Factory buildings*	2 to 29.94 years
Administrative buildings*	12 to 61.35 years
Plant and machinery*	2 to 40 years
Furniture and fixtures*	5 to 15.79 years
A.C. and Refrigeration	10 years
Office equipment*	2 to 10 years
Computers*	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 upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

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

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

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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

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

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

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

Work-in-progress and finished goods

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

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

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

5.5 Revenue recognition

5.5.1: Revenue

Revenue arises mainly from the sale of manufactured goods. To determine whether to recognise revenue, the Group follows a 5-step process:

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The Group collects sales taxes, value added taxes ('VAT') and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Export benefits

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

5.5.2: Other Income

Government grants

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

Interest

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

Dividends

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

Insurance claims income

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

5.6 Borrowing costs

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

5.7 Leases

The Group as a lessee

The Group's leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Group as a lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Group 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 recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

5.8 Impairment of non-financial assets

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

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

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

5.9 Foreign currency

Functional and presentation currency

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

Initial recognition

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

Conversion

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

Exchange difference

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

5.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group 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 Ind AS 27 Separate Financial Statements.

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Forward contracts

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

Offsetting of financial instruments

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

5.11 Impairment of financial assets

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

Trade receivables

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

Other financial assets

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

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

5.12 Income taxes

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

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

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group 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 Group 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 Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

5.13 Cash and cash equivalents

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

5.14 Employee benefits

Provident fund

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

Gratuity

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

Compensated absences

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

Superannuation fund

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

Short-term employee benefits

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

5.15 Provisions

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

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 Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

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

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 Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

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

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

5.19 Significant management judgement and estimates

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

Significant management judgements

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

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

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

Significant estimates

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

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

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

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the consolidated financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the consolidated financial statements.

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

6A. Property, plant and equipment and intangible assets

(₹ in lacs)

Particulars	Property, plant and equipment							Intangible assets		
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and machinery	Total	Patent	Software	Total
Gross carring amount										
As at 1 April 2020	**1,653.36**	**5,754.30**	**529.74**	**234.38**	**370.94**	**37,156.89**	**45,699.61**	**238.00**	**230.36**	**468.36**
Additions	-	247.98	164.38	47.05	14.50	4,369.19	**4,843.10**	-	18.54	**18.54**
Disposal/adjustments	-	-	(86.71)	(55.25)	-	(113.64)	**(255.60)**	(238.00)	-	**(238.00)**
As at 31 March 2021	**1,653.36**	**6,002.28**	**607.41**	**226.18**	**385.44**	**41,412.44**	**50,287.11**	-	**248.90**	**248.90**
Accumulated depreciation										
As at 1 April 2020	**-**	**743.87**	**12.50**	**84.43**	**107.14**	**8,875.74**	**9,823.68**	**184.00**	**96.15**	**280.15**
Depriciation charge for the year	-	194.72	107.61	45.24	32.00	2,927.26	**3,306.84**	37.62	72.95	**110.57**
Disposal/adjustments	-	-	(79.47)	(51.85)	-	(101.76)	**(233.08)**	(221.62)	-	**(221.62)**
As at 31 March 2021	**-**	**938.59**	**40.64**	**77.82**	**139.14**	**11,701.24**	**12,897.44**	**-**	**169.10**	**169.10**
Net block										
As at 31 March 2021	**1,653.36**	**5,063.69**	**566.77**	**148.36**	**246.30**	**29,711.20**	**37,389.67**	**-**	**79.80**	**79.80**

Footnotes:

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

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

6B. Right of use asset

(₹ in lacs)

Particulars	Total
Gross carring amount	
As at 1 April 2020	**369.88**
Additions	9.88
As at 31 March 2021	**379.76**
Accumulated depreciation	
At 1 April 2020	**64.62**
Charge for the year	105.93
As at 31 March 2021	**170.55**
Net carrying amount	
As at 31 March 2021	**209.21**

6C. Capital work-in-progress

(₹ in lacs)

Description	Amount
As at 1 April 2020	**2,269.18**
Add: addition during the year	9,493.45
Less: capitalisation during the year	(4,122.98)
As at 31 March 2021	**7,639.65**

7. Loans

(₹ in lacs)

	As at 31 March 2021
A) Non-current	
Loans considered good- unsecured	
Security deposits*	756.73
Total non-current loans (A)	**756.73**
B) Current	
Loans considered good- unsecured	
Loans to employees	70.76
Security deposits	25.07
Total current loans (B)	**95.83**
Total loans (A+B)	**852.56**

*Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.25% per annum.

8. Other financial assets **(₹ in lacs)**

	As at 31 March 2021
A) Non-current	
(Unsecured considered good)	
Bank deposits with maturity of more than 12 months (refer note 14)	230.67
Earnest money deposit	0.73
Total non-current other financial assets (A)	**231.40**
B) Current	
(Unsecured considered good)	
Insurance claim recoverable	658.49
Total current other financial assets (B)	**658.49**
Total other financial assets (A+B)	**889.89**

9. Other non-current assets **(₹ in lacs)**

	As at 31 March 2021
Capital advances	4,124.72
Prepaid expenses	14.14
Balances with government authorities	2.59
Total other non-current assets	**4,141.45**

10. Inventories **(₹ in lacs)**

	As at 31 March 2021
Raw materials {including goods in transit ₹ 2,181.81 lacs}	6,883.55
Work-in-progress	1,009.60
Finished goods {including goods in transit ₹ 1,507.96 lacs}	3,400.84
Stores and spares {including goods in transit ₹ 138.60 lacs}	2,370.27
Total inventories	**13,664.26**

(i) During the year, the Holding Company has created a provision of ₹ 16.06 lacs for raw material and store and spares inventories and ₹447.82 of provision is outstanding as at 31 March 2021.

(ii) The cost of inventories recognised as expense during the year is ₹ 51,050.90 lacs.

11. Investments **(₹ in lacs)**

	As at 31 March 2021
A) Current	
Investments carried at fair value through profit and loss - Mutual Funds	
Baroda large & Mid Cap fund - Mutual Fund [499,965 units of ₹10 each]	64.05
Baroda Dynamic Equity Fund- Mutual Fund [104,372 units of ₹14.37 each]	15.04
Union Focused Funds - Mutual Fund [199,990 units of ₹10 each]	29.03
Baroda banking and PSU bond fund - Mutual Fund [249,987 units of ₹10 each]	25.01
Total current investment	**133.13**
Aggregate amount of quoted investments (this represents market value as well)	**133.13**

* For related disclosures, refer note 33.

12. Trade receivables **(₹ in lacs)**

	As at 31 March 2021
Trade receivables considered good - unsecured	15,154.31
Less: allowance for expected credit losses	(65.30)
	15,089.01
Trade receivables credit impaired	65.32
Less: allowance for expected credit losses	(38.13)
	27.19
Total trade receivables	**15,116.20**

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

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

	As at 31 March 2021
Cash on hand	3.50
Balances with banks	
In current accounts	147.95
Bank deposits with original maturity upto 3 months	30.00
Total cash and cash equivalents	**181.45**

14. Other bank balances

	As at 31 March 2021
Earmarked bank balances	
Unpaid dividend accounts *	43.35
Bank deposits	
Deposits with remaining maturity for less than 12 months	2,531.83
Deposits with remaining maturity for more than 12 months	230.67
**Total ** **	**2,805.85**
Less:- Amount disclosed under non-current assets (refer note 8)	(230.67)
Total other bank balances	**2,575.18**

** The Holding Company can utilise these balances only toward settlement of the respective unpaid dividend.*

*** Margin money deposit (including interest accured) of ₹ 1,285.86 lacs are subject to lien of lending banks for securing letter of credit and bank guarantee facilities sanctioned by them.*

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

	As at 31 March 2021
Considered good	
Receivables under export benefit scheme	386.47
Advance to vendors	1,321.43
Prepaid expenses	486.78
Balances with government authorities	732.24
Other advances	50.57
	2,977.49
Considered doubtful	
Receivables under export benefit scheme	29.31
Other advances	50.27
Less: Provision of export benefit receivable	(29.31)
Less: Provision of other advances	(50.27)
	-
Total other current assets	**2,977.49**

16 A. Equity share capital

	As at 31 March 2021	
i) Authorised	**Number**	**Amount (₹ in lacs)**
Equity shares of ₹ 5 each	15,00,00,000	7,500.00
Equity shares of ₹ 10 each	4,79,60,000	4,796.00
		12,296.00

ii) Issued, subscribed and fully paid up		
Equity shares of ₹ 5 each	8,33,93,759	4,169.69
		4,169.69

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

	As at 31 March 2021	
Equity shares	**Number**	**Amount (₹ in lacs)**
Balance at the beginning of the year	8,33,93,759	4,169.69
Balance at the end of the year	**8,33,93,759**	**4,169.69**

iv) Rights, preferences and restrictions attached to equity share

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

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

v) Shares held by Parent Company

	As at 31 March 2021	
Name of the equity shareholder	**Number**	**Amount (₹ in lacs)**
Wilemina Finance Corporation, Parent Company		
Equity shares of ₹ 5 each fully paid	4,63,55,012	2,317.75
	4,63,55,012	**2,317.75**

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

	As at 31 March 2021	
	Number	**%**
Wilemina Finance Corporation, Parent Company		
Equity shares of ₹ 5 each fully paid	4,63,55,012	55.59%
Vettel International Limited, Public Shareholder		
Equity shares of ₹ 5 each fully paid	87,86,861	10.54%
Movi Limited, Promotor Group Company		
Equity shares of ₹ 5 each fully paid	62,60,000	7.51%

(vii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

16 B. Preference shares

	As at 31 March 2021	
i) Authorised	**Number**	**Amount (₹ in lacs)**
Cumulative convertible preference shares of ₹ 50 each	6,00,000	300.00
Redeemable cumulative preference shares of ₹ 50 each	80,00,000	4,000.00
		4,300.00

17. Other equity **(₹ in lacs)**

	As at 31 March 2021
Capital reserve	3,520.74
Securities premium	6,121.01
Capital redemption reserve	335.37
General reserve	1,528.16
Retained earnings	35,450.11
Equity component of redeemable financial instrument	76.83
Total	**47,032.22**

i) Nature and purpose of other reserves

Capital reserve

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

Securities premium

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

Capital redemption reserve

The same has been created in accordance with provision of Companies Act, 2013 against redemption of preference shares.

General reserve

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

Retained earnings

Retained earnings represents surplus in the Statement of Profit and Loss.

18. (A) Borrowings **(₹ in lacs)**

	As at 31 March 2021
Secured loans*	
Term loans from:	
Banks	7,067.03
Financial institution	5,333.52
Vehicle loans	386.19
Lease liabilities	155.70
Unsecured loans	
Redeemable financial instrument (foreign currency loan) from related party	522.21
Total borrowings	**13,464.65**
Less: Current maturities of non-current borrowings (refer note 23)	3,418.62
Less: Current portion of lease liabilities (refer note 23)	107.51
Non-current borrowings	**9,938.52**

* For liquidity risk related disclosures, refer note 33B

I. Term loans

a) **From Bank of India** of ₹962.58 lacs as Corporate loan for augmentation of working capital bearing floating interest at the rate MCLR plus 1.20% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

b) **From Bank of Baroda** of ₹928.80 lacs as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 2.10% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

c) **From Union Bank of India** of ₹748.99 lacs as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 1.9% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.# #

d) **From Canara Bank** of ₹1,040.14 lacs as capex loan for augmentaion of capital expenditure (modification, de-bottlenecking, modernization, cost reduction & mainteance capex). The Term Loan bearing floating interest at the MCLR plus 3.35% per annum. The term is repayable in 60 equal monthly installments starting from September 2019.#

e) **From Karnataka Bank Limited** of ₹1,815.83 lacs as capex loan for capital expenditure (purchcase of plant and machineries). The Term Loan bearing floating interest at the MCLR plus 0.50% per annum. The term is repayable in 60 unequal monthly installments starting from October 2020.###

f) **From Tata Capital Financial Services Limited** of ₹850.44 lacs as Corporate loan for augmentation of working Capital bearing floating interest at the LTLR minus 9.10% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from Sep 2019.# #

g) **From Tata Capital Financial Services Limited** of ₹1,512.02 lacs has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and Corporate Office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and machinaries installed at factory premises at Uttrakhand and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal quarterly installments starting from Dec 2020. #

h) **From Bajaj Finance Limited** of ₹2,971.07 lacs as loan for general corporate and capex purpose. The Term Loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term is repayable in 20 equal quarterly installments starting from April 2022. ###

i) **From IDFC Limited** of ₹1,570.68 lacs as capex loan for capital expenditure incurred by the Holding Company. The Term Loan bearing floating interest at the MCLR plus 1.95% per annum. The term is repayable in 12 equal quarterly installments starting from Dec 2020.#

\# Above term loans are secured by first pari passu charge on fixed assets of the Holding 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 & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its Parent Company and personal guarantee of Mr. Arvind Singhania.

\## Above term loans are secured by first pari passu charge on fixed assets of the Holding 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 & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its Parent Company and personal guarantee of Mr. Arvind Singhania. Above loans are also secured by pledge of 50 lacs equity shares of the company on pari- passu basis held by Wilemina Finance Corporation.

\### Above term loans are secured by first pari passu charge on fixed assets of the Holding 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 personal guarantee of Mr. Arvind Singhania.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.60% per annum to 13.25% per annum. These loans are repayable in monthly installments till Decmber 2025.

III. Redeemable financial instrument

During the financial year 2017-18, the Holding Company had obtained interest free unsecured foreign currency loan from its Wilemina Finance Corporation ('Parent Company'). This foreign currency loan is repayable in two installments of USD 500,000 and USD 285,000 on 15 April 2023 and on 03 May 2023 respectively.

B) Current borrowings* **(₹ in lacs)**

	As at 31 March 2021
Loans repayable on demand	
from banks	3,660.65
Other loans	
Bills discounting	71.87
Acceptances	3,048.08
Buyers' credit for raw material	534.36
Total borrowings - current	**7,314.96**

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

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

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.65% per annum to 1.65% per annum. The bill discounting from banks bear floating interest rate ranging from 7.70% per annum to 9.70% per annum. The Buyer's credit for raw material bear floating interest rate ranging from 0.57% per annum to 0.63% per annum.

Particulars	Borrowings			Total
	Non-current	Current	Lease liabilities	
1 April 2020	**7,698.56**	**7,681.17**	**249.81**	**15,629.54**
Cash flows:				
- Repayments	(2,804.15)	(366.21)	(140.48)	(3,310.84)
- Proceeds	8,422.95	-	-	8,422.95
- Finance cost	1,056.16	394.52	29.37	1,480.05
- Finance cost paid	(1,046.65)	(394.52)	-	(1,441.17)
Non cash:				
-Finance cost adjustment for effective interest rate	(17.92)	-	-	(17.92)
-Addition during the year	-	-	17.00	17.00
31 March 2021	**13,308.95**	**7,314.96**	**155.70**	**20,779.61**

19. Provisions **(₹ in lacs)**

	As at 31 March 2021
A) Provisions - non-current	
Provision for gratuity (refer note 39)	811.65
Provision for compensated absence	254.47
Total provisions - non-current	**1,066.12**
B) Provisions - current	
Provision for gratuity (refer note 39)	174.99
Provision for compensated absence	30.26
Total provisions - current	**205.25**
Total provisions (A+B)	**1,271.37**

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

	As at 31 March 2021
Deferred tax liabilities	3,657.90
Less: Deferred tax assets	503.22
Deferred tax liabilities (net)	**3,154.68**

(₹ in lacs)

Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2021
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,686.30	(50.61)	-	-	3,635.69
Redeemable financial instrument	28.60	(6.39)	-	-	22.21
Total	**3,714.90**	**(57.00)**	-	-	**3,657.90**
				-	
Deferred tax assets arising on account of :				-	
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	534.24	(43.75)	-	-	490.49
Employee benefits	-	(8.55)	8.55	-	-
Others	12.56	0.17	-	-	12.73
Total	**546.80**	**(52.13)**	**8.55**	**-**	**503.22**
MAT credit recognised and utilized during the year*	**-**	86.60	**-**	**-**	**-**
Deferred tax liabilities (net)	**3,168.10**	**(91.47)**	**(8.55)**	**-**	**3,154.68**

* In previous year, the Holding Company decided to avail lower tax rate option from financial year ending 31 March 2021 as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and accordingly had remeasured its deferred tax balances and written off outstanding MAT credit balance considering the same will not be allowed in future period. However, at the time of filing income tax return for the assessment year 2020-21, after detailed evaluation, the Company identified that said MAT credit can be utilized towards tax liabilities of assessment year 2020-21 and on that basis tax return for assessment year 2020-21 was filed. Accordingly, the Company reinstated ₹86.60 lacs MAT credit balance out of total MAT credit balance written off in books in previous year and utilized the same against tax liabilities for assessment year 2020-21 during the year ended 31 March 2021.

21. Other liabilities (₹ in lacs)

	As at 31 March 2021
A) Non-current	
Deferred income*	2,280.43
Total non current liabilities (A)	**2,280.43**
B) Current	
Deferred income*	253.40
Advances from customers	376.81
Statutory dues	171.64
Total current liabilities (B)	**801.85**
Total other liabilities (A+B)	**3,082.28**

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

22. Trade payable (₹ in lacs)

	As at 31 March 2021
Trade payables	
Trade payables	
- total outstanding dues of micro enterprises and small enterprises*	274.47
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,492.20
Total trade payables	**3,766.67**

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

(₹ in lacs)

Particulars	**As at 31 March 2021**
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	
Principal amount	274.47
Interest due thereon	-
ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	
Principal amount	2,178.65
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 Holding Company.

23. Other financial liabilities **(₹ in lacs)**

	As at 31 March 2021
Current maturities of non-current borrowings (refer note 18)	3,418.62
Current portion of lease liabilities (refer note 18)	107.51
Capital creditors	480.49
Unpaid dividend	43.35
Deposits from dealer/customer and others	33.79
Derivative liability	3.09
Employee related paybles	1,909.73
Others payables	120.47
Total other financial liabilities	**6,117.05**

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

	For the year ended 31 March 2021
Sale of products	98,485.53
Other operating revenue (refer note (i) below)	690.35
Total revenue from operations	**99,175.88**

i) Other operating revenue comprises of the following income:

Sales of scrap	114.70
Export incentive from merchandise exports from India scheme	241.68
Duty drawback earned	333.97
Total revenue from operations (refer note 40)	**690.35**

25. Other income **(₹ in lacs)**

	For the year ended 31 March 2021
Interest on:	
- Fixed deposits {tax deducted at source ₹ 7.13 lacs}	86.59
- Others {tax deducted at source ₹ 3.81 lacs}	36.47
Insurance claim	70.65
Provisions/liabilities no longer required written back	216.90
Income recognised on account of government assistance*	253.15
Gain on fair valuation of financial assets	26.24
Miscellaneous income	107.83
Total other income	**797.83**

* 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 **(₹ in lacs)**

	For the year ended 31 March 2021
Closing stock	
- Finished goods	3,400.84
- Work-in-progress	1,009.60
	4,410.44
Opening stock	
- Finished goods	3,016.75
- Work-in-progress	732.22
	3,748.97
Total changes in inventories	**(661.47)**

27. Employee benefits expense **(₹ in lacs)**

	For the year ended 31 March 2021
Salaries and wages	6,129.67
Contribution to provident fund and other funds	282.37
Gratuity (refer note 39)	130.20
Staff welfare expenses	274.41
Total employee benefits expense	**6,816.65**

28. Finance cost **(₹ in lacs)**

	For the year ended 31 March 2021
Interest :	
-Term loans	1,056.16
-Working capital	394.52
-Lease liabilities	29.37
-Statutory dues	48.45
-Capital creditors	4.91
-Buyers credit for raw material	3.41
Other borrowing costs	320.40
Total finance cost	**1,857.22**

29. Other expenses **(₹ in lacs)**

	For the year ended 31 March 2021
Manufacturing expenses	
Consumption of stores and spare parts	1,773.65
Consumption of packing material	1,600.70
Power and fuel	7,585.54
Material handling charges	529.29
Provision for obsolete inventories	13.96
Total manufacturing expenses (A)	**11,503.14**
Selling expenses	
Freight	2,518.64
Commission and brokerage	244.37
Total selling expenses (B)	**2,763.01**
Administration and other expenses	
Rent	115.44
Rates and taxes	172.47
Insurance	522.83
Repairs and maintenance:	
- Building	144.27
- Plant and machinery	340.77
- Others	289.86
Corporate social responsibility expenditure (refer note (i) below)	130.05
Travelling and conveyance	328.03
Communication expenses	59.40
Legal and professional charges	768.63
Printing and stationery	8.19
Donations (other than political parties)	8.25
Director's sitting fees	7.10
Director's commission	70.00
Auditors' remuneration (refer note (ii) below)	36.26
Loss on sale of property, plant and equipment (net)	27.39
Bad debts, advances and irrecoverable balances written off	15.59
Provision for doubtful debts / advances	76.53
Security services	363.96
Foreign exchange fluctuation loss (net)	50.71
Miscellaneous expenses	384.27
Total administrative and other expenses (C)	**3,920.00**
Total other expenses (A+B+C)	**18,186.15**

i) Corporate social responsibility expenses

Gross amount required to be spent by the Holding Company during the year is ₹ 129.78 lacs.

Amount spent during the year on corporate social responsibility: ₹ 130.05 lacs.

(₹ in lacs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2021	-	-	-
On purposes other than above	31 March 2021	130.05	-	**130.05**

ii) Auditors' remuneration **(₹ in lacs)**

Particulars	For the year ended 31 March 2021
- Statutory audit fee (excluding taxes)	16.00
- Limited review fee (excluding taxes)	20.00
- Out of pocket expenses (excluding taxes)	0.26
	36.26

30. Tax expenses

	For the year ended 31 March 2021
Current tax	4,881.55
Deferred tax	(91.47)
Income tax expense recognised in the statement of profit and loss	**4,790.08**
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% and the reported tax expense in the statement of profit and loss are as follows:	
Accounting profit before income tax	**18,539.44**
At India's statutory income tax rate of 25.17%	4,666.38
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Deferred tax asset not recognised	115.38
Adjustment on account of Minimum alternate tax credit	(86.60)
Tax impact of expenses which will never be allowed	49.30
Earlier year tax paid in current year	29.97
Others	15.65
Income tax expense	**4,674.69**

31. Earning per share (EPS)

	For the year ended 31 March 2021
Profit attributable to equity shareholders (₹ in lacs)	13,749.36
Profit attributable to equity shareholders adjusted for the effect of dilution (₹ in lacs)	**13,749.36**
Weighted average number of equity shares for basic EPS	8,33,93,759
Weighted average number of equity shares adjusted for the effect of dilution	**8,33,93,759**
Earnings per equity share	
Basic (₹)	16.49
Diluted (₹)	16.49

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

(₹ in lacs)

Particulars	Level	31 March 2021
Financial assets		
Investments in mutual funds	Level 1	133.13
Total financial assets		**133.13**
Financial liabilities		
Derivative liability	Level 2	3.09
Total financial liabilities		**3.09**

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed

(₹ in lacs)

Particulars	Level	31 March 2021	
		Carrying value	Fair value
Financial assets			
Security deposits	Level 3	756.73	756.73
Earnest money deposit		0.73	0.73
Total financial assets		**757.46**	**757.46**
Borrowings*	Level 3	13,464.65	13,464.65
Total financial liabilities		**13,464.65**	**13,464.65**

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

*Borrowings taken by the Holding Company are as per the Group'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:

(₹ in lacs)

Particulars	31 March 2021	
	FVTPL	Amortised cost
Financial assets		
Investments - mutual funds	133.13	-
Trade receivables	-	15,116.20
Loans	-	852.56
Cash and cash equivalents	-	181.45
Other bank balances	-	2,805.85
Other financial assets	-	889.89
Total financial assets	**133.13**	**19,845.95**
Financial liabilities		
Borrowings	-	20,779.61
Trade payables	-	3,766.67
Security deposits	-	33.79
Derivative liabilities	-	3.09
Other financial liabilities	-	2,554.04
Total financial liabilities	**-**	**27,137.20**

(i) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis	Diversification of bank deposits and investments, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - Interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect market factors
Price risk - security price	Investments in mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

(A) Credit risk

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

a) Credit risk management

i) Credit risk rating

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

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

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

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

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

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

Description	Particulars	31 March 2021
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	19,979.08
High credit risk	Trade receivables	103.43

ii) Concentration of financial assets

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

(₹ in lacs)

Particulars	31 March 2021
Polyester film	8,926.01
Engineering plastics	6,190.19

b) Credit risk exposure

Provision for expected credit losses

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

31 March 2021 **(₹ in lacs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	15,219.63	103.43	15,116.20
Loans	852.56	-	852.56
Cash and cash equivalents	181.45	-	181.45
Other bank balances	2,805.85	-	2,805.85
Other financial assets	889.89	-	889.89
Investments	133.13	-	133.13
Total financial assets	**20,082.51**	**103.43**	**19,979.08**

Expected credit loss for trade receivables under simplified approach

As at 31 March 2021 **(₹ in lacs)**

Particulars	Not Due	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	14,442.22	606.30	47.53	46.36	11.86	0.02	0.02
Expected credit loss (impairment)	23.22	4.04	14.48	11.82	11.74	0.00	0.00
Carrying amount (net of impairment)	14,419.00	602.26	33.05	34.54	0.12	0.01	0.02

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	60.38	2.91	2.04	-
Expected credit loss (impairment)	33.18	2.91	2.04	-
Carrying amount (net of impairment)	27.19	-	-	-

(₹ in lacs)

Reconciliation of loss allowance	Amount
Loss allowance as on 1 April 2020	**362.29**
Impairment loss written off during the year	(315.39)
Impairment loss created during the year	56.53
Loss allowance on 31 March 2021	**103.43**

(B) Liquidity risk

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

Maturities of financial liabilities

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

(₹ in lacs)

31 March 2021	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	11,906.58	8,227.82	3,052.45	**23,186.85**
Trade payables	3,766.67	-	-	**3,766.67**
Other financial liabilities	2,590.92	-	-	**2,590.92**
Total	**18,264.17**	**8,227.82**	**3,052.45**	**29,544.44**

The Group had access to following funding facilities :

As at 31 March 2021			(₹ in lacs)
Funding facilities	**Total Facility**	**Drawn**	**Not drawn**
Less than 1 year	27,400.00	10,428.22	16,971.78
More than 1 year	5,000.00	3,611.81	1,388.19
Total	**32,400.00**	**14,040.03**	**18,359.97**

(C) Market risk

(i) Interest rate risk

Interest rate risk exposure

The Group variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

	(₹ in lacs)
Particulars	**31 March 2021**
Variable rate borrowing	20,237.72
Fixed rate borrowing	541.89
Total borrowings	**20,779.61**

Sensitivity

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

	(₹ in lacs)
Particulars	**31 March 2021**
Interest sensitivity*	
Interest rates – increase by 50 basis point	75.72
Interest rates – increase by 50 basis point	(75.72)

** Holding all other variables constant*

(ii) Foreign exchange risk

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

Foreign currency risk exposure

Particulars	**Currency**	**Amount in Foreign Currency (In absolute figures)**	**Amount (₹ in lacs)**
		31 March 2021	**31 March 2021**
Receivables			
Trade receivable	USD	80,24,428	5,897.95
	GBP	47,134	47.61
	EURO	7,73,632	666.10
Payables			
Trade payables	GBP	2,802	2.83
	EURO	37,085	31.93
	USD	12,22,494	898.53
Acceptances	USD	41,44,792	3,046.42
Buyer's credit for raw material	USD	7,28,270	535.28
Bills discounting	USD	52,174	38.35
	EURO	38,494	33.14
Foreign currency unsecured loan	USD	7,85,000	576.97

Sensitivity

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

(₹ in lacs)

Particulars	Impact on profit after tax
	31 March 2021
USD sensitivity	
INR/USD increase by 4.69%	28.16
INR/USD decrease by 4.69%	(28.16)
GBP sensitivity	
INR/GBP increase by 8.31%	2.78
INR/GBP decrease by 8.31%	(2.78)
EUR sensitivity	
INR/EUR increase by 6.89%	30.99
INR/EUR decrease by 6.89%	(30.99)

(iii) Price risk

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

Sensitivity analysis

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

Particulars	31 March 2021
Investments in mutual funds	
Price increase by (5%) - FVTPL instrument	4.98
Price decrease by (5%) - FVTPL instrument	(4.98)

34. Segment reporting

The Group operates in two segments manufacturing and sale of polyester film and engineering plastics. The Group has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the 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 31 March 2021 **(₹ in lacs)**

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	78,676.35	20,499.53	99,175.88	-	**99,175.88**
Total revenue	78,676.35	20,499.53	99,175.88	-	**99,175.88**
Income/(expenses)					
Other income	-	-	-	797.83	**797.83**
Cost of material consumed	37,711.93	13,885.41	51,597.34	115.03	**51,712.37**
Changes in inventories of finished goods and work-in-progress	(1,039.53)	378.06	(661.47)	-	**(661.47)**
Depreciation and amortisation	2,922.31	193.49	3,115.80	407.55	**3,523.35**
Finance costs	-	-	-	1,857.22	**1,857.22**
Other expenses	16,294.25	1,977.67	18,271.92	6,730.88	**25,002.80**
Segment Profit	22,787.39	4,064.90	26,852.29	(8,312.85)	**18,539.44**
Segment assets	48,855.48	12,159.23	61,014.71	25,155.19	**86,169.90**
Segment liabilities	6,094.08	1,502.28	7,596.36	27,371.63	**34,967.99**
Other disclosures					
Capital expenditure	8,664.99	8.18	8,673.16	1,558.95	**10,232.11**

Revenue as per geographical market	(₹ in lacs)
	For the year ended 31 March 2021
Revenue from external customers:	
India	72,293.71
Outside India	26,882.17
Total revenue per statement of profit or loss	**99,175.88**
Segment receivables	
India	8,540.82
Outside India	6,575.38
Total	**15,116.20**

Information about major customer

During the year ended 31 March 2021 revenue of approximately 6.33% was derived from a single external customer in the polyester film business and approximately 12.42% in 31 March 2021 was derived from a single external customer in the engineering plastics.

Non-current assets

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

35. Capital management

The Group objectives when managing capital are to:

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

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

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

(a) **Debt equity ratio** (₹ in lacs)

	31 March 2021
Total borrowings*	20,779.61
Total equity	51,201.91
Net debt to equity ratio	**41%**

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

(b) **Dividends** (₹ in lacs)

Particulars	As at 31 March 2021
1. Equity shares - Dividend Paid	
Final dividend for the year ended 31 March 2020 of ₹ 2.50 per share (excluding tax)	2,084.84
Interim dividend for the year ended 31 March 2021 of ₹ 1.50 per share (excluding tax)	1,250.91
2. Equity shares - Dividend Proposed	
Proposed final dividend for the year ended 31 March 2021 of ₹ 1.90 per share (excluding tax) ^	1,584.48

^ The Board of Directors at its meeting held on 18 May 2021, has recommended final dividend of ₹ 1.90/- {Rs. One and ninety paise only} per equity share for the year ended on 31 March 2021, subject to the approval of the shareholders of the Holding Company in the forthcoming Annual General Meeting.

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	**31 March 2021**
Goldring Investments Corporation	Ultimate Parent Company
Wilemina Finance Corporation	Parent Company
Ester Filmtech Limited	Wholly owned Subsidary Company (w.e.f. 21 July 2020)
Mr. Arvind Singhania (Chairman and CEO in Ester Industries Limited and Ester Filmtech Limited)	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director & CFO in Ester Industries Limited and Ester Filmtech Limited)	Key managerial personnel
Mrs. Archana Singhania (Director)	Key managerial personnel
Mr. Ashok Kumar Newatia (Independent Director)	Key managerial personnel
Dr. Anand Chand Burman (Independent Director)	Key managerial personnel
Mr. M S Ramachandran (Independent Director)	Key managerial personnel
Mr. Sandeep Dinodia (Independent Director)	Key managerial personnel
Mr. P S Dasgupta (Independent Director)	Key managerial personnel
Mrs. Padmaja Shailen Ruparel (Independent Director)	Key managerial personnel (joined w.e.f. 1 April 2020)
Mr. Girish Behal (Director in Ester Filmtech Limited)	Key managerial personnel
Mr. Ayush Vardhan Singhania (son of Mr. Arvind Singhania and Director in Ester Filmtech Limited)	Relatives of Key managerial personnel

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

(₹ in lacs)

Sr. No.	**Particulars**	**Key managerial personnel**	**Relative of key managerial personnel**	**Total**
		31 March 2021	**31 March 2021**	**31 March 2021**
1	**Managerial remuneration**			
	Arvind Singhania	318.40	-	**318.40**
	Pradeep Kumar Rustagi	108.82	-	**108.82**
2	**Commision to Directors**			
	Arvind Singhania	1,200.00	-	**1,200.00**
	Anand Chand Burman	10.00	-	**10.00**
	Ashok Kumar Newatia	10.00	-	**10.00**
	M S Ramachandran	10.00	-	**10.00**
	Sandeep Dinodia	10.00	-	**10.00**
	Padmaja Shailen Ruparel	10.00	-	**10.00**
	P S Dasgupta	10.00	-	**10.00**
	Archana Singhania	-	10.00	**10.00**
3	**Sitting Fees**			
	Archana Singhania	-	0.70	**0.70**
	Anand Chand Burman	0.40	-	**0.40**
	Ashok Kumar Newatia	1.50	-	**1.50**
	M S Ramachandran	1.80	-	**1.80**
	Sandeep Dinodia	1.40	-	**1.40**
	Padmaja Shailen Ruparel	0.40	-	**0.40**
	P S Dasgupta	0.90	-	**0.90**
4	**Salary paid**			
	Ayush Vardhan Singhania	-	97.93	**97.93**

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

(₹ in lacs)

Sr. No.	Guarantees given against loans taken (jointly and severally) by the Company	Year	Amount
1	Arvind Singhania	31 March 2021	19,871.21

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

(₹ in lacs)

Sr. No.	Particulars	Year	Amount
1	**Unsecured loan**		
	Wilemina Finance Corporation	31 March 2021*	576.97
2	**Guarantees given against loans taken (jointly and severally) by the Company**		
	Wilemina Finance Corporation	31 March 2021	14,928.61

* includes foreign exchange fluctuation of ₹ 72.90 lacs.

(d) Key managerial personnel compensation:

Sr. No.	Nature of transactions	31 March 2021
1	Short-term employee benefits	1,627.22
2	Post-employment benefits	9.25
3	Other long-term benefits	2.18
		1,638.65

37. Contingent liabilities and commitments

(₹ in lacs)

Particulars		31 March 2021
A. Contingent liabilities*		
1	Claims against the Group not acknowledged as debts^	25.43
2	Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 #	22.87
3	There is a contingent liability of:	
i)	Excise duty/custom duty/service tax demands not acknowledged as liability	968.46
ii)	Demand raised by Income Tax department, disputed by the Group and pending in appeal	33.88

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

^ These claims represents various civil cases filed against the Group by various vendors and ex-employees of the Group.

In view of the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, the Group has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 1 April 2014, the Group on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

(₹ in lacs)

B.	Commitments	31 March 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,721.32
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	8,990.48

38. Leases disclosure as lessee

Lease liabilities are presented in the statement of financial position as follows:

Particulars	31 March 2021
Current liabilities (amount due within one year)	107.51
Non current liabilities (amount due over one year)	48.19

The Group's leased asset classes primarily consist of leases for land, certain equipments and building, including warehouses and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security.

For some of the leases, the lessee may terminate the lease by giving 3 months notice period to lessor, subject to other terms and conditions. At the end of the tenor under certain leases, lessee can avail to buy the asset at the agreed value as per buyback agreement between the lessor and lessee.

Right of use asset as at 31 March 2021 amounting to ₹ 209.21 lacs are for the leases of equipments and lease of land.

A Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the Financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹113.19 lacs.

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 140.48 lacs.

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Particulars	Minimum lease payments due as on 31 March 2021						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 Years	Total
Lease payments	120.40	48.63	0.15	0.15	0.15	11.00	**180.48**
Interest expense	(12.89)	(1.74)	(0.15)	(0.15)	(0.15)	(9.70)	**(24.78)**
Net present values	**107.51**	**46.89**	**0.00**	**0.00**	**0.00**	**1.30**	**155.70**

D Information about extension and termination options

Leases entered into	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Equipments	7	13 to 20 Months	17 Months	4	4	4
building, including warehouses and related facilities (short term)	8	0 to 11 Months	6 Months	5	None	4
Land for sitarganj manufacturing facility	3	78 years	78 years	3	None	2

E Expected future cash outflow on account of variable lease payments as at 31 March 2021 is of ₹ Nil.

F The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of ₹ Nil.

39. Employee benefits obligations

I Gratuity

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

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

(i) ***Amounts recognised in the balance sheet*** **(₹ in lacs)**

Particulars	31 March 2021
Current liability	174.99
Non-current Liability	811.65
Total	**986.64**

(ii) ***Movement in the liability recognised in the balance sheet is as under:*** **(₹ in lacs)**

Particulars	**31 March 2021**
Present value of defined benefit obligation at the beginning of the year	929.11
Current service cost	68.88
Interest cost	61.32
Actuarial loss (net)	33.51
Benefits paid	(106.18)
Present value of defined benefit obligation at the end of the year	**986.64**

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

Particulars	**31 March 2021**
Current service cost	68.88
Interest cost	61.32
Cost recognised during the year	**130.20**

(iv) ***Expenses recognised in other comprehensive income*** **(₹ in lacs)**

Particulars	**31 March 2021**
Actuarial loss net on account of:	
- Changes in demographic assumptions	-
- Changes in financial assumptions	(5.69)
- Changes in experience adjustment	39.20
Cost recognised during the year	**33.51**

	31 March 2021
- Changes in experience adjustment loss/ (gain)	39.20

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

Particulars	**31 March 2021**
Discount rate	6.70%
Salary escalation rate	5.00%
Retirement age (years)	58 Years
Average past service (years)	14.86 Years
Average age	43.70 Years
Average remaining working life	14.30 Years
Weighted average duration	11.68 Years
Withdrawal rate	
Up to 30 years	3.00%
From 31 to 44 years	2.00%
Above 44 years	1.00%

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

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

Year 31 March 2021	**Amount 31 March 2021**
April 2021- March 2022	174.99
April 2022- March 2023	125.99
April 2023- March 2024	57.90
April 2024- March 2025	99.51
April 2025- March 2026	74.54
April 2026- March 2027	80.02
April 2027 onwards	373.69

(vi) ***Sensitivity analysis*** **(₹ in lacs)**

Particulars	**31 March 2021**
a) Impact of the change in discount rate	
Present value of obligation at the end of the year	**986.64**
Impact due to increase of 0.50%	(27.47)
Impact due to decrease of 0.50%	29.25
b) Impact of the change in salary increase	
Present value of obligation at the end of the year	**986.64**
Impact due to increase of 0.50%	29.60
Impact due to decrease of 0.50%	(28.03)

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

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

Risk

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

II Provident fund

Provident fund for certain eligible employees is managed by the Group through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at 31 March 2021 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Group towards provident fund.

(₹ in lacs)

(i) **Projected benefit obligation**	**31 March 2021**
Projected benefit obligation at beginning of year	1,487.88
Current service cost	95.88
Interest cost	126.65
Contributions by plan participants/employees	125.47
Actuarial gain due to interest guarantee	(87.75)
Benefits paid	(194.01)
Settlements/transfer In	104.70
Projected benefit obligation at end of year	1,658.82

(ii) **Reconciliation of plan assets**	**31 March 2021**
Fair value of plan asset at beginning of year	1,588.12
Actual return on plan asset	121.35
Employer contribution	95.88
Plan participants/employee contribution	125.47
Benefit paid	(194.01)
Settlements/transfer in	104.70
Fair value of plan asset at the end of the year	1,841.51

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

(iii)	Economic assumptions	31 March 2021
	i) Interest rate	8.50%
	ii) Discount rate	6.70%
	iii) Expected shortfall in Interest earning on the fund	0.05%

(iv)	Demographic assumptions	31 March 2021
	i) Mortality	IALM (2012-14)
	ii) Normal Retirement Age	58

(v)	Actuarial (Gain)/Loss on Obligation	31 March 2021
	i) Actuarial loss on arising from change in demographic assumption	-
	ii) Actuarial gain on arising from change in financial assumption	(0.04)
	iii) Actuarial gain on arising from experience adjustment	(87.71)

(₹ in lacs)

	31 March 2021
- Changes in experience adjustment gain	(87.71)

(vi)	Major categories of plan assets (as percentage of total plan assets)	31 March 2021
	i) Funds managed by insurer	100%

III The Group has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31 March 2021
Employer's contribution to Ester Industries Limited Employee's Provident Trust	96.23
Employer's contribution to other Provident Fund	123.72
Employer's contribution to Superannuation Fund	54.34
Employer's contribution to labour welfare fund and employee state insurance	8.08

40 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

(₹ in lacs)

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	71,603.36	114.70	71,718.06
Export	26,882.17	-	26,882.17
Total	**98,485.53**	**114.70**	**98,600.23**

*Other operating revenue amounting to ₹575.65 lacs (31 March 2020:₹ 591.19 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(b) Assets and liabilities related to contracts with customers **(₹ in lacs)**

Description	31 March 2021	
	Non-current	Current
Contract liabilities		
Advance from customers	-	376.81

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price **(₹ in lacs)**

Description	31 March 2021
Contract price	98,666.55
Less: Discount, rebates, credits etc.	66.32
Revenue from operations as per Statement of Profit and Loss	**98,600.23**

*Other operating revenue amounting to ₹575.65 lacs in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	31 March 2021
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	376.81
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

41 During the year, Ester Industries Limited ('Holding Company') has formed a wholly owned subsidiary Ester Filmtech Limited ('the Subsidiary Company'). In the absence of comparative number for year ended 31 March 2020, same have not been presented in the consolidated financial statements.

42 No subsequent event occurred post balance sheet date which requires adjustment in the consolidated financial statements for the year ended 31 March 2021.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Faridabad
Date: 18 May 2021

For and on behalf of the Board of Directors

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Dubai
Date: 18 May 2021

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Place: Gurugram
Date: 18 May 2021

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place: Gurugram
Date: 18 May 2021

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1.	Sl. No.	:	1
2.	Name of the subsidiary	:	Ester Filmtech Limited (Company incorporated in India)
3.	The date since when subsidiary was acquired	:	21st July, 2020
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	1st April, 2020 – 31st March, 2021
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	:	Reporting Currency is INR
6.	Share capital	:	95250000 Equity Shares of Rs. 10 each
7.	Reserves & surplus (in Rs.)	:	(4,58,41,756)
8.	Total assets (in Rs.)	:	94,52,94,862
9.	Total Liabilities (in Rs.)	:	2,76,37,618
10.	Investments	:	-
11.	Turnover	:	-
12.	Profit before taxation (in Rs.)	:	(4,58,41,756)
13.	Provision for taxation	:	-
14.	Profit after taxation (in Rs.)	:	(4,58,41,756)
15.	Proposed Dividend	:	-
16.	% of shareholding	:	100%

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations - Ester Filmtech Limited
2. Names of subsidiaries which have been liquidated or sold during the year. - None

Part "B": Associates and Joint Ventures

There is no Associate or Joint Venture with any Company.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
Arvind Singhania	**Pradeep Kumar Rustagi**	**Diwaker Dinesh**
Chairman & CEO	**Executive Director and CFO**	**Head-Legal & Company Secretary**
DIN: 00934017	**DIN: 00879345**	**M No: A22282**
Place: Dubai	Place: Gurugram	Place: Gurugram
Date: 18 May 2021	Date: 18 May 2021	Date: 18 May 2021

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

Dear Shareholders,

Green Initiative : Go Paperless

You are aware that the provisions of Companies Act, 2013 have been made effective . Pursuant to Section 20, 101, 136 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Notice of Shareholders meeting, Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment . This is a golden opportunity for every shareholder to contribute to the cause of Green Initiative .

We therefore request you to register your Email Id by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent "M/s MAS Services Limited" or your concerned Depository Participant

Regards

For **Ester Industries Limited**

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary

E-COMMUNICATION REGISTRATION FORM

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE	**IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE**
Please send the form to the Registrar at following address- **MAS Services Limited** **Unit – Ester Industries Limited** **T - 34, Okhla Industrial Area, Phase - II, New Delhi – 110 020**	Please send the form to your concerned Depository Participant where you maintain your Demat Account.

E-mail ID to be registered

I agree to receive all communication from the Company in electronic mode. Please register my above-mentioned e-mail id in your records for sending communication through e-mail .

Name of Sole/Joint Holder(s)	Folio No./DP ID and Client ID	Signature

Date ……..……

Important Notes:

- The form is also available on the website of the Company viz **www.esterindustries.com**
- Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID

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

Dear Shareholder

Securities Exchange Board of India (SEBI) has made it mandatory that the dividend of the shareholders will be credited into their account through NECS in case completed Bank details as required for electronic payment is available with the Company/Depository. In case such details are not available, the company is required to print Bank details on dividend warrants.

By availing National Electronic Clearing Service (NECS), you can receive your dividend electronically by way of direct credit to your bank account. This avoids a lot of hassles like loss/fraudulent use of dividend warrants during postal transit. There are no charges to avail this facility. This also expedites payment through credit to your account compared to dividend warrants in physical form.

Regards
For **Ester Industries Limited**

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary

NECS MANDATE FORM FOR DIVIDEND PAYMENT

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE	**IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE**
Please send the form to the Registrar at following address- **MAS Services Limited** **Unit – Ester Industries Limited** **T - 34, Okhla Industrial Area, Phase - II, New Delhi –110 020**	Please send the form to your concerned Depository Participant where you maintain your Demat Account.

Dear Sir

I hereby give my mandate to credit my Dividend on the shares held by me directly to my account through National Electronic Clearing Service (NECS). The details are given below

1 Folio No./DP ID & Client ID _____

2 Shareholder's Name : Mr. / Mrs. / Ms. / M/s. _____

3 Shareholder's Address : _____

_____ Pin Code : _____

4 Particulars of bank :

Bank Name																				
Branch Name & Address																				
Branch Code																				
(9 digits code number appearing on the MICR band of the cheque supplied by the Bank.																				
Account Type (Tick the appropriate Box)	Saving					Current						Cash Credit								
Account no. (as appearing in the cheque book)																				
IFSC Code																				

5. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Ester Industries Limited or MAS Services Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

Signature of Shareholder
Date : .....
Place : .....

Note: Please attach a cancelled cheque leaf and self-attested PAN copy along with this form.

ESTER

INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

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