

REPORT ON CORPORATE GOVERNANCE

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- Corporate Affairs Mr. Ayush Vardhan Singhania, Whole-time Director (Promoter Category) ¹
	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

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. 8 (Eight) Board Meetings were held during the year 2021-22 on 1st April 2021, 18th May, 2021, 9th August, 2021, 2nd September, 2021, 27th September, 2021, 12th November, 2021, 6th January 2022 and 3rd February 2022. Last Annual General Meeting (AGM) of the Company was held on 27th September, 2021.

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	8	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	8	Yes	None	None	None	None
Mr. M S Ramachandran ³	Independent Director	7	Yes	2	1	None	None
Dr. Anand Chand Burman	Independent Director	3	No	5	None	None	None
Mr. P S Dasgupta	Independent Director	5	Yes	8	None	5	3
Mr. Sandeep Dinodia	Independent Director	7	Yes	2	None	2	1
Mrs. Padmaja Shailen Ruparel	Independent Director	7	Yes	1	None	1	None
Mrs. Archana Singhania	Non- Executive Director	6	No	None	None	None	None
Mr. Pradeep Kumar Rustagi	Executive Director – Corporate Affairs	8	Yes	1	None	1	None
Mr. Ayush Vardhan Singhania ⁴	Whole-time Director	5	Yes	2	None	None	None

Note –

- 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.
- 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.
- Mr. Ashok Kumar Newatia and Mr. M S Ramachandran had 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.
- Mr. Ayush Vardhan Singhania was appointed as Whole-time Director w.e.f. 1st June, 2021.

Directorship in Listed Companies (other than Ester Industries Limited) as on 31st March, 2022

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	Dabur India Ltd.	Alternate Director
5	Mr. P S Dasgupta	Cummins India Ltd.	Independent Director
		Maral Overseas Ltd.	Independent Director
		RSWM Limited	Independent Director
		Timken India Ltd.	Independent Director
		Vindhya Telelinks Limited	Independent Director
6	Mr. Sandeep Dinodia	The Hi-Tech Gears Limited	Independent Director
		Sandhar Technologies 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.

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 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:

<https://www.esterindustries.com/sites/default/files/Final%20Familiarisation%20Programme.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 3rd February, 2022 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 2021-22, 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.
- To 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 2021-22, the Audit Committee has met on 18th May, 2021, 9th August, 2021, 27th September 2021, 12th November 2021, 6th January 2022 and 3rd February 2022.

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, Member	Independent Director	6	6
Mr. Ashok Kumar Newatia, Member	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.

Cost Auditors attended the meeting when the Cost Audit Report for financial year 2020-21 was discussed.

Mr. Sandeep Dinodia, Chairman of the Audit Committee has attended the last Annual General Meeting held on 27th September, 2021.

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;
- 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 2021-22, four meetings of Nomination and Remuneration Committee were held on 1st April 2021, 18th May 2021, 12th November 2021 and 3rd February 2022. 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	4	4
Mr. P S Dasgupta Member	Independent Director	4	2
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	4	4
Mr. Sandeep Dinodia Member	Independent Director	4	4

Mr. MS Ramachandran, Chairman of Nomination & Remuneration Committee, has attended the last Annual General Meeting held on 27th September 2021.

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 held 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.

Terms and conditions of the appointment of the Independent Directors are given on the website of the Company viz.

www.esterindustries.com

The details of commission and sitting fees paid for the year 2021-2022 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	1.80	11.80
Mr. Sandeep Dinodia	10.00	1.80	11.80
Mr. M S Ramachandran	10.00	2.20	12.20
Mr. P S Dasgupta	10.00	0.70	10.70
Dr. Anand Chand Burman	10.00	0.30	10.30
Mrs. Archana Singhanian	10.00	0.80	10.80
Mrs. Padmaja Shailen Ruparel	10.00	0.70	10.70

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 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 2021-2022, following remuneration to Executive Directors were paid/payable-

(Rs. in Lacs)

Particulars of Remuneration	Arvind Singhanian, Chairman & CEO	Pradeep Kumar Rustagi, Executive Director – Corporate Affairs	Ayush Vardhan Singhanian, Whole-time Director
Basic Salary	144.00	43.20	48.13
Allowances & Perquisites	156.40	39.43	65.76
PF & SAF	17.28	6.18	6.78
Commission/ Performance Linked Incentive	1200.00	36.00	20.62
Total	1517.68	124.81	141.29

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.

Employee Stock Option Scheme

During the financial year 2021-22, the Company granted 248179 stock options to Eligible Employee and Executive Director. 101713 stock options were granted to Mr. Pradeep Kumar

Rustagi, Executive Director- Corporate Affairs. After vesting of the option, each Option would entitle the Option holder to subscribe to 1 (one) Equity Share on the payment of the Exercise price during Exercise period.

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

Details of Shareholding of Directors in the Company as on 31st March, 2022

Name of the Director	No. of Shares held
Mr. Arvind Singhanian	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 Singhanian	Nil
Mr. Pradeep Kumar Rustagi	400
Mrs. Padmaja Shailen Ruparel	Nil
Mr. Ayush Vardhan Singhanian	178033

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:

https://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 & 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 10 meetings of the Committee were held on 12th April 2021, 12th July 2021, 13th September 2021, 20th September 2021, 29th September 2021, 5th October 2021, 26th October 2021, 20th November 2021, 3rd January 2022 and 15th March 2022.

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	10	9
Mr. Arvind Singhanian Member	Executive Director and Promoter (Chairman & CEO)	10	7
Mr. Pradeep Kumar Rustagi Member	Executive Director- Corporate Affairs	10	10

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 27th September 2021.

The Company has received 39 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, 2022.

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 13 meetings were held on 8th April 2021, 4th June 2021, 11th June 2021, 12th July 2021, 20th August 2021, 14th September 2021, 20th September 2021, 12th October 2021, 20th October 2021, 10th November 2021, 12th January 2022, 22nd February 2022 and 22nd March 2022.

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	13	13
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	13	11
Mr. Pradeep Kumar Rustagi Member	Executive Director- Corporate Affairs	13	13

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 4 meetings were held on 18th May 2021, 9th August 2021, 27th September 2021 and 3rd February 2022.

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	4	4
Mr. Ashok Kumar Newatia Member	Independent Director	4	4
Mrs. Archana Singhania Member	Non-Executive Director and Promoter	4	2
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	4	4

7. Risk Management Committee

The Board has, in its meeting held on 9th August, 2021, constituted Risk Management Committee of the Company. During the year 1 meeting was held on 3rd February, 2022. The Composition of the Risk Management 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. Arvind Singhania	Executive Director and Promoter (Chairman & CEO)	1	1
Mr. M S Ramachandran	Independent Director	1	1
Mr. P S Dasgupta	Independent Director	1	-
Mr. Sandeep Dinodia	Independent Director	1	1
Mr. Pradeep Kumar Rustagi	Executive Director- Corporate Affairs	1	1
Mr. Girish Behal	Senior Executive	1	1
Mr. Manish Gupta*	Chief Financial Officer	-	-

*Appointed as member of Committee w.e.f 20th May, 2022

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;

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
2020-21	27.09.2021	11.00 AM	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"),	1. Appointment of Mr. Ayush Vardhan Singhania as Whole Time Director of the Company.
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

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 –

https://www.esterindustries.com/sites/default/files/RPT_%20Clean_Ver.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 2021-22, 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 4 years.

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 –

https://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.

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 –

<https://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 Chief Financial Officer 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 2022, 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 2021-22 is given below –

Fee particulars	Amount (Rs. in Lacs)
Audit fee	41.00
Out of pocket expenses	0.87
Total	41.87

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

- Number of Complaints as on 1st April, 2021 : NIL
- Number of Complaints filed during the year 2021-2022 : NIL
- Number of Complaints disposed of during the year 2021-2022 : NA
- Number of Complaints pending as on 31st March, 2022 : 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, 2022.
- 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. investor@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 and recording of the Earning calls are available on the website of the Company.

11. General Shareholder Information:

- **Forthcoming Annual General Meeting**

Day, Date & Time	Wednesday, 28th September, 2022 at 11.00 AM
Venue	AGM will be held through Video Conferencing (VC)/ Other audio and visual means (OAVM) as stated in notice of AGM

- **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 2021-22 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 2022	August – 2022
Financial Results for the Quarter ending 30th September 2022	November – 2022
Financial Results for the Quarter ending 31st December 2022	February – 2023
Financial Results for the Quarter and year ending 31st March 2023	May – 2023
Annual General Meeting	September – 2023

- **Books closure date – 22nd September, 2022 to 28th September, 2022 (both days inclusive)**

- **Dividend**

During the year 2021-22, the Board has declared interim dividend of Rs. 1.40/- per share i.e. 28% on Equity Share of face value of Rs. 5.00 each for the Financial Year 2021-22, in its meeting held on 12th November, 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 2021-22. In case dividend is declared by the shareholders in the forthcoming Annual General Meeting, it will be paid on or before 26th October, 2022.

The Company has Dividend Distribution Policy which can be accessed on Company's website at the following link –

<https://www.esterindustries.com/sites/default/files/Dividend%20Distribution%20Policy%20-%20Ver%20202.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	2018-19	2019-20	2020-21	2020-21	2021-22
Nature of Dividend	Final	Final	Interim	Final	Interim
Amount of Dividend per share	Rs. 0.50/-	Rs. 2.50/-	Rs. 1.50/-	Rs. 1.90/-	Rs. 1.40/-
Date of Declaration	16-09-2019	28-08-2020	26-10-2020	27-09-2021	12-11-2021
Last date to claim dividend	17-10-2026	29-09-2027	27-11-2027	02-11-2028	15-12-2028
Proposed date of transfer of Dividend	17-11-2026	28-10-2027	27-12-2027	02-12-2028	14-01-2029

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:

<https://iepf.gov.in/IEPF/corporates.html>

- Listing of Equity Shares on Stock Exchanges**

Ester Industries Limited (ISIN - INE778B01029) is presently listed on BSE Ltd. and National Stock Exchange of India Ltd. 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

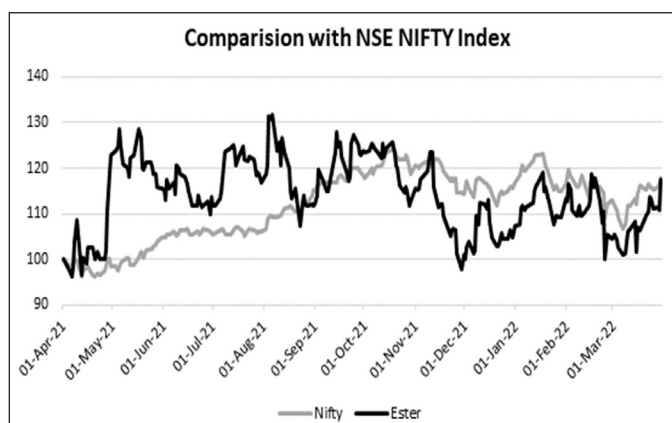
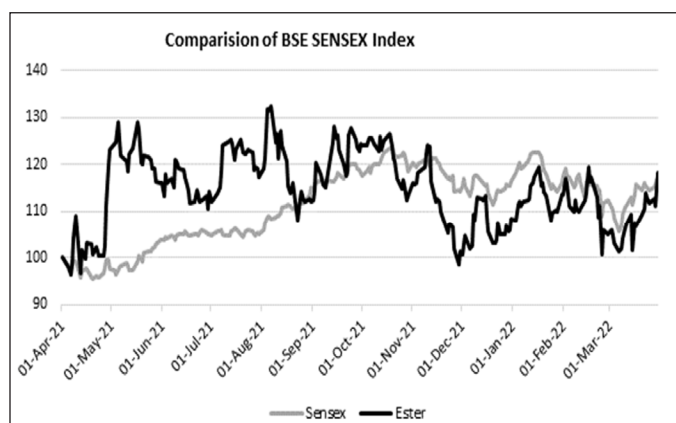
The Listing Fees for the financial year 2022-23 have been paid to stock exchanges within the prescribed time period.

- Stock Market Data:**

The data for trading in equity shares of the Company at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are provided below :

Month	BSE			NSE		
	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-21	152.00	112.80	16,38,629	152.00	112.55	1,12,02,610
May-21	159.10	137.35	11,34,538	159.00	136.95	94,13,766
Jun-21	148.00	130.00	10,99,890	147.90	129.90	65,33,326
Jul-21	153.15	132.35	10,93,431	154.90	132.20	85,88,805
Aug-21	164.60	126.00	17,19,676	164.75	124.50	1,16,34,026
Sep-21	156.95	132.05	10,74,900	157.00	132.20	63,37,558
Oct-21	156.80	130.30	6,53,284	157.30	130.00	37,26,149
Nov-21	150.20	114.20	9,19,347	150.00	114.15	38,76,886
Dec-21	137.50	118.10	4,60,971	138.00	118.00	23,61,856
Jan-22	144.00	121.45	6,63,609	144.00	120.05	23,06,252
Feb-22	147.70	117.80	5,52,570	147.90	118.00	39,05,270
Mar-22	147.50	117.55	4,84,803	148.00	109.70	34,15,447

- 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 : investor@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, 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 2022:**

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	36065	91.36	4564861	5.47
5001-10000	1991	5.04	2581560	3.10
10001-20000	696	1.76	2001786	2.40
20001-30000	288	0.73	1441959	1.73
30001-40000	105	0.27	737830	0.88
40001-50000	89	0.22	823721	0.99
50001-100000	134	0.34	1913517	2.30
100001 & Above	109	0.28	69328525	83.13
Total	39477	100.00	83393759	100.00

- **Shareholding Pattern as on 31st March 2022:**

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	1	10000	0.01
b. Financial Institutions/ Banks	5	3800	-
c. Foreign Portfolio Investor	5	282143	0.34
Sub Total (B1)	11	295943	0.35
2. Non Institutions			
a. Bodies Corporate	156	9726814	11.66
b. Resident Individuals	38739	17857918	21.42
c. Non-Resident Individual	481	877793	1.05
d. Clearing Member	82	185830	0.23
e. IEPF Authority	1	1041258	1.25
Sub Total (B2)	39459	29689613	35.61
Total Public Shareholding (B = B1 + B2)	39470	29985556	35.96
GRAND TOTAL (A) + (B)	39477	83393759	100

- **Dematerialization of Shares:**

As on 31st March 2022, 99.11% 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, 2022, 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**

1. Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand
2. Plot No. A-113, 114, 128, Phase – I, Eldeco Sidcul Industrial Park, Sitarganj, Distt. 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: investor@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**

CRISIL Ratings Limited has assigned following ratings for credit limit of the Company

Tenure	Facility	Rating*
Long term	Fund based	CRISIL A Outlook: Stable
Short term	Fund based and Non Fund based	CRISIL A1

**Please refer to CRISIL website www.crisil.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: 20th May, 2022

Place: Gurgaon

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
Distt. Udham Singh Nagar, Uttarakhand

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, Distt. Udham Singh Nagar, Uttarakhand to the Board of Directors of the Company ('the Board') for the Financial Year 2021-22 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, 2022**, 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	Date of Cessation
1	Mr. Arvind Singhanian	00934017	01/07/1994	--
2	Mrs. Archana Singhanian	01096776	04/08/2014	--
3	Mr. Pradeep Kumar Rustagi	00879345	14/02/2011	--
4	Mr. Sandeep Dinodia	00005395	25/05/2015	--
5	Mr. P S Dasgupta	00012552	14/02/2011	--
6	Dr. Anand Chand Burman	00056216	12/08/2010	--
7	Mrs. Padmaja Shailen Ruparel	01383513	01/04/2020	--
8	Mr. M S Ramachandran	00943629	19/09/2008	--
9	Mr. Ashok Kumar Newatia	01057233	01/07/1997	--
10	Mr. Ayush Vardhan Singhanian	05176205	01/06/2021	--

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, 2022.

**For M/s Akash Jain
Practicing Company Secretary**

**Place: Gurugram
Date: 08.08.2022**

**Sd/-
Akash Jain
Membership No.: F9617
CP No.: 9432
PR 838/2020
ICSI UDIN: F009617D000759795**

COMPLIANCE CERTIFICATE BY CHAIRMAN & CEO AND CHIEF FINANCIAL OFFICER

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, 2022 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 2021-22 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
Date: 20th May, 2022

Sd/-
MANISH GUPTA
Chief Financial Officer

Place: Gurgaon

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, Uttarakhand**

1. 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, 2022** 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

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India

Our Responsibility

4. 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.

5. 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, 2022.

Opinion

6. Based on the procedures performed by us and according to the information and explanations given to us, we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended **March 31, 2022**, referred to in paragraph 1 above.

Restriction on Use

7. 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.

8. 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. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

**For M/s Akash Jain
Practising Company Secretary**

Place: Gurugram
Date: 08.08.2022

Sd/-
Akash Jain
Membership No.: F9617
CP No.: 9432
PR 838/2020
ICSI UDIN: F009617D000760103