

To

Name of Director

Sub: Appointment as an Independent Director of Ester Industries Limited

Dear Sir,

We are pleased to inform you that the Members of the Company in their Annual General Meeting have approved your appointment as an Independent Director of the Company, for a period of 5 years. This letter of appointment is being issued to you, in terms of Clause IV (4) of Schedule IV to the Companies Act, 2013 and the Listing Agreement.

The terms of appointment, which in any event will be subject to Articles of Association, Listing Agreement and Companies Act, 2013 are as stated below -

Appointment

In compliance with the provisions of the Section 149(3) of the Companies Act, 2013, your directorship shall not be subject to retirement by rotation

Your re-appointment at the end of the term shall be subject to the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. Your re-appointment shall be considered by the Board based on performance evaluation process.

Roles, Responsibilities and Duties

As a member of the Board, your roles, responsibilities and duties will be as mentioned in below stated provisions of the law and code of conduct (including any modification and/or amendment thereof) -

- Duties as prescribed under Section 166 of the Companies Act, 2013 - *(Attached as Annexure - 1)*
- Accountability under Directors' Responsibility Statement as mentioned under Section 134(5) of the Companies Act, 2013 - *(Attached as Annexure - 2)*
- Responsibilities as prescribed by the Clause 49 of the Listing Agreement- *(Attached as Annexure - 3)*

- Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013 – *(Attached as Annexure – 4)*
- Code of Conduct applicable to all Board Members and Senior Management as prescribed under Clause 49 of the Listing Agreement– *(Attached as Annexure – 5)*
- Code for Prevention of Insider Trading– *(Attached as Annexure – 6)*

Evaluation Process

In accordance with the requirements of the Listing Agreement, the performance of the Independent Director will be evaluated by the entire Board (excluding the director being evaluated). The criteria of evaluation shall be determined by the Nomination and Remuneration Committee and shall be disclosed in the Annual Report. However actual evaluation process shall be confidential. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Disclosures

During the term, you have to notify the Company of any change in your directorship/membership on the Board/Committee of other Companies and to provide such disclosures as may be required to provide under the applicable laws. You also have to notify the Company about any potential conflict of interest with your position as Independent Director of the Company.

Remuneration and Reimbursements

You will be paid such remuneration by way of sitting fee for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

The sitting fee presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board or a Committee thereof.

In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

Insurance

The Company has Directors' and Officers' liability insurance and the Company will maintain such cover for the full term of your appointment.

Publication of the letter of appointment

In line with the provisions of the Companies Act, 2013, the Company will make public a generic copy of this letter on its website at www.esterindustries.com and the same shall be open for inspection at the registered office of the company by any member during normal business hours.

Please convey your acceptance of the terms and conditions of the appointment signing by and returning the enclosed duplicate of this letter.

**Yours sincerely,
For Ester Industries Limited**

Chairman

Date -

Place -

I hereby acknowledge receipt of the appointment letter and accept the terms set out in this letter.

Name -

Signature

Date

ANNEXURES

Annexure No.	Documents	Page No.
1	Duties as prescribed under Section 166 of the Companies Act, 2013	1
2	Accountability under Directors' Responsibility Statement as mentioned under Section 134(5) of the Companies Act, 2013	2
3	Responsibilities as prescribed by the Clause 49 of the Listing Agreement	3
4	Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013	4-7
5	Code of Conduct applicable to all Board Members and Senior Management as prescribed under Clause 49 of the Listing Agreement	8-14
6	Code for Prevention of Insider Trading	15-27

Annexure-1**Duties of directors under Section 166 of the Companies Act, 2013**

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Annexure-2

Director Responsibility Statement pursuant to Section 134(5) of the Companies Act, 2013

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation-For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annexure-3

Responsibilities as prescribed by the Clause 49 of the Listing Agreement

1. Disclosure of Information

- a) Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b) The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h) Overseeing the process of disclosure and communications.
- i) Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- a) The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- b) The Board should set a corporate culture and the values by which executives throughout group will behave.
- c) Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.

SCHEDULE IV

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;

-
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Code of Conduct for Directors and Senior Management Personnel

Our Relationship with Each Other

Successful working relationships built on mutual respect and trust

Your relationship with those you work with should be as a member of a winning team. People working in harmony and focused on a set of mutual objectives are the driving momentum behind our business. Each individual must fulfil his or her responsibilities — and feel assured that others will also. This means providing the necessary support to others, at every level, to get the job done. No individual or business unit can let its own priorities supersede those of the Company.

Your relationship with those you work with or supervise should set an example of mutual trust, respect, decency, fairness and integrity in dealing with others. As a leader, you are responsible for clearly defining standards of performance and creating an environment that is conducive to team work.

The Company views internal politicking amongst employees seriously. It is expected of employees to desist from such activities, and instead create an atmosphere of trust and mutual respect to resolve work issues amicably.

Employees of the company shall be treated with dignity and in accordance with the policy of maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

Meritocracy

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on purely on merit.

Equal opportunity employer

Company shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and disability.

Our Relationship with the Company

Conflicts of interest

Any employee shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of Ester. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- Any employee is engaging in a business, relationship or activity with anyone who is party to a transaction with the company.
- Any employee is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction.
- An independent judgement of the company's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- An employee of the company conducting business on behalf of the company, or being in a position to influence a decision with regard to the company's business with a supplier or customer of which his/her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- Acceptance of gifts from existing or potential suppliers, customers or other third parties, which have business dealings with the company.

Notwithstanding that, such or other instances of conflict of interest may exist, and full disclosure by the interested employee should be made to the company's management. It is also binding upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his or her company.

Every employee who is required to make a disclosure as mentioned above shall do so, to his or her immediate superior, or the CMD, and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

Trade secrets and proprietary information

Protection of the company's trade secrets and proprietary information, including maintaining its secrecy, plays a vital role in its continued growth and ability to compete.

Proprietary information and trade secrets may consist of any formula, design, device or information that is used in our business, and that gives Ester an opportunity to obtain a competitive advantage. Your obligations with respect to Ester's trade secrets and proprietary information are:

- Not to disclose this information to persons outside of Ester.
- Not to use this information for your own benefit or the benefit of persons outside of Ester.
- Not to disclose this information to other Ester employees except on a need to know or need to use basis and, that too, with a strong statement that the information is an Ester trade secret.

Responding to inquiries from press and others

Only authorized personnel are authorized to respond to queries about the company.

It is critical that no employee should respond to any such inquiry or contact themselves because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect the company's legal position.

This policy does not apply to requests for publicly available financial information, such as Annual and Quarterly Reports, or promotional publicity activities of the Company.

Company records and reports

It is Company policy, as well as a requirement of the law, to maintain books, records and accounts that in reasonable detail accurately and fairly reflect the business transactions and disposition of assets of the Company.

The integrity of the Company's accounting and financial records is based on the accuracy and completeness of the basic information supporting entries to the Company's books of accounts. Everyone involved in creating, processing and recording such information is held responsible for its integrity.

Protecting Company's assets

Use Company assets, facilities or services only for lawful, proper and authorized purposes. Theft of money, property or services is strictly prohibited. The Company's equipment, systems, facilities and supplies must be used only for conducting company business or for purposes authorized by management. You are personally responsible not only for protecting Ester property entrusted to you, but also for helping to protect the Company's assets in general. You should be alert to any situations or incidents that could lead to the loss, misuse or theft of Company property. And you must report all such situations to the management as soon as they come to your attention.

Only certain officers and other senior employees have authority to make commitments affecting the Company's assets. You should not make commitments affecting Company assets unless properly authorized. If you need to clarify your or another individual's authority to commit the Company, you should contact the finance head.

Use of Information Technology Resources

We must use Ester's Information Technology Resources responsibly. Ester's Information Technology Resources include all computer equipment that is owned, leased or rented by Ester, regardless of the physical location, including, but not limited to, personal computers, portable computer devices, network servers, access to the Internet, Ester's Intranet and e-mail access devices. Information Technology Resources also includes access to Ester's network and e-mail from a computer that is not owned, leased or rented by Ester.

All of Ester's Information Technology Resources are the property of Ester, which includes the information created, stored or transmitted using Ester Information Technology Resources. Ester's Information Technology Resources should be used for Ester business purposes. The following uses are prohibited:

- Harassing, discriminating, offensive, defamatory, disruptive, fraudulent, or threatening messages.
- Unauthorized distribution of Ester proprietary, confidential or trade secret information.
- Causing or permitting security breaches or disruptions of network communication, circumventing user authentication or security of any computer, network, application or other technology, and/or revealing your password to others or allowing others to use your password.
- Violations of the privacy rights of any person protected by applicable Indian laws.
- Unauthorized solicitation for commercial ventures, for religious or political causes, or for any outside organizations, or for any unauthorized personal gain or advancement.

Except as limited by applicable laws, Ester reserves the right to monitor equipment, systems, and network activities, including, but not limited to, e-mail, voice mail, Internet usage, and any stored information, in appropriate circumstances and pursuant to applicable laws. In addition, for operations maintenance, security, business, legal or regulatory requirements, authorized personnel

and third party service providers may have unrestricted access to information in Ester Information Technology Resources to the fullest extent permitted by law or mutual non-disclosure agreements.

Ester reserves the right to terminate any user's access to Ester Information Technology Resources at any time, with or without advance notice.

Our Relationship with Outside Business Entities

Ethical dealings with suppliers and customers

Our aim in conducting our purchasing operations is to insure continuing, reliable sources of supply. Honest dealing with customers and suppliers is essential to sound, lasting relationships. Thus, we view our suppliers as partners and expect them to make a reasonable profit. We give all potential suppliers fair and uniform consideration. Decisions are based on objective criteria such as price and quality as well as a vendor's capability, reliability and integrity. Giving or receiving any kickbacks, bribes or a similar payment of any sort is prohibited. This shall be communicated to suppliers and vendors. They are advised of the requirement to adhere to the Code when working with us or face the possibility of losing the business for failure to do so.

Accepting gifts

It is not acceptable to receive gifts to influence any business decision. If you intend to receive a gift that is more than nominal in value, then you must contact your Division or Associate General Counsel for approval before doing so. Do not accept or allow a close family member to accept gifts, loans or preferential treatment from anyone doing business with the Company. Follow this rule: never accept a gift or service if it will compromise you or could appear to compromise you. This does not include occasional business meals, which can be reciprocated, or gifts of purely nominal value.

General Standards of Conduct

Each of us is a representative of the Company in the eyes of the public. We must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed.

Misusing controlled substances, or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

Our Relationship with Government and the Law

Compliance with laws

It goes without saying that we obey all laws that regulate Ester's business. Indeed, it is our policy to go within the letter of the law and comply with its spirit.

Compliance with securities laws

An employee of Ester and his or her immediate family shall not derive any benefit or assist others to derive any benefit from access to and possession of information about the company, which is not in the public domain and thus constitutes insider information.

An employee of a Ester shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on

investment decisions on the securities of the company on which such insider information has been obtained.

Such insider information might include the following:

- Acquisition and divestiture of businesses or business units
- Financial information such as profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions/plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances.

Ester does not engage in political activity

Ester shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. Ester shall not support, directly or indirectly, any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

Our Relationship with the Environment

Environment as integral part of Ester business

The Company is committed to protecting the environment. Therefore, we must each comply with the applicable environmental laws and regulations and the public policies they represent. No individual or manager in the Company has authority to engage in conduct that does not comply with this policy, or to authorize, approve or condone such conduct by any other person.

Reducing waste

We are committed to reducing waste and minimizing the impact of our products and packaging on the environment. We are dedicated to source reduction, recycling and other responsible methods of waste management.

We are committed to manufacturing, packaging and selling quality products that meet or exceed health and safety rules and regulations.

The health and safety of our employees and the communities in which we operate is paramount in all that we do. We are committed to operating our facilities safely and in a manner that is sensitive to employee and community conditions. We will look ahead to improvements in our facilities and processes to further protect the environment. We will make environmental issues and concerns an integral part of our business decisions and transactions.

Our Relationship with Shareholders

Good corporate governance

The Company's corporate governance policies and programs, of which this Code of Conduct is a key component, serve as an important shareholder safeguard. The directives issued by SEBI to promote ethical corporate behaviour have been standard practice at Ester for many years. Shareholders are well served by an independent board, made up of a substantial majority of independent directors, independent committees that oversee audit, compensation and governance matters and recently updated charters and guidelines that clearly define director roles and responsibilities and the Company's corporate governance principles.

Strong audit programs

Every employee of Ester shall ensure, at all times, the integrity of data or information furnished by him or her to the company. Ester shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

Keeping shareholders informed

Each year shareholders are invited to attend the Company's annual meeting where the progress of the Company during the past year is reviewed and shareholders have the opportunity to ask questions of the senior management of the Company. In the intervening months, shareholders may visit the Company's website, www.esterindustries.com for information about financial results and other business developments.

Responsibility for Compliance

Communication and disclosure

The act of producing a written code of conduct is not enough – the standards of conduct must be communicated to and agreed upon by those who are asked to follow them. In accepting employment with Ester, each of us becomes accountable for compliance with these standards of conduct. Managers are responsible for communicating these standards to those they work with, for ensuring that they understand and abide by them.

This Code cannot provide definitive answers to all questions. For that we must ultimately rely on each person's good sense of what is required to adhere to the Company's standards, including a sense of when it is proper to seek guidance on the appropriate course of conduct.

In most instances, you should bring questions concerning the guidelines described in this Code to the attention of your direct manager, who may in turn refer such matters to the top management as he or she sees fit. You may also contact higher levels of management for further counsel.

Reporting violations

If you know of or suspect a violation of the Code or other Company guidelines, you must immediately report that information to your manager. Alternatively, you should feel free to go to higher levels of

management without fear of reprisal. Ester will not retaliate against any individual who reports information concerning potential violations, or who participates in any investigation or proceeding by the Company or the government.

If an employee fails to make a disclosure with regard to a Conflict of Interest situation, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee.

Whistle-blower policy

Employees can report their concerns by e-mailing to the Company for this purpose at whistleblower@ester.in or by sending a letter to the CMD. This mail-id will only receive mails from ester.in. Employees who wish to remain anonymous can do so.

Code applicability

The Code is applicable to all directors and staff members of the Company. Copies of the Code shall be provided to all persons to whom the Code is applicable. The directors and staff members must sign a statement of compliance with this Code of Conduct annually.

The Code is also applicable to vendors and suppliers and adherence to the Code is a condition for conducting business with Ester.

Acknowledgement

I have read the Company's Code of Conduct and understand the standards and policies contained in the code. I agree to comply with the Code.

Signature_

Name

Designation

Date

Annexure-6

**Code of Conduct for Prevention of Insider Trading
Under SEBI (Prohibition of Insider Trading) Regulations, 1992**

Introduction

Insider Trading means dealing in securities of a Company listed/ traded on any Stock Exchange in India, when such dealing is based on or when in possession of unpublished price sensitive information.

Securities & Exchange Board of India (SEBI) has formulated SEBI (Prohibition of Insider Trading) Regulations which are amended from time to time. These regulations require all listed companies to frame a code of internal procedures and conduct which should be as near thereto the Model Code specified in these regulations. While the Company had earlier framed a code of conduct, this new code of conduct reflects recent changes in the regulations and better governance framework. This new code has been approved by the Board of Directors at its meeting held on 1st of November 2010.

The Policy and Obligations

The Company endeavours to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every director, Officer and Employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No director, Officer and Employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Ester Industries Limited (herein after referred to as "**Ester**" or "**the Company**") hereby notifies this code of conduct.

1. This Code of Conduct is called "Ester Industries Limited - Code of Conduct for Prevention of Insider Trading", hereinafter referred to as the "Code of Conduct", and comes into effect from 1st November 2010 (i.e., from the date of approval by the Board of Directors).
2. This Code of Conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended and may be modified by the Board of Directors of the Company from time to time.

3. Definitions:-

For the purpose of this Code of Conduct:-

- a. "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b. "**Board**" means the Board of Directors of Ester Industries Limited.

- c. **“Dealing in securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or otherwise deal in the shares of the Company by any person either as principal or agent.
- d. **“Dependents”** means spouse, dependent parents and dependent children.
- e. **“Designated Employee”** shall include the following employees –
- All the employee of M3 and above Level.
 - All Employees of the Finance and Accounts Department of the Company.
 - Employees of other Department as may be decided by the Chairman/Compliance Officer on a case-to-case basis.
- f. **“Director”** means Directors on the Board of the Company.
- g. **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- h. **“Insider”** means any person including the “Director”, who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of shares of the Company, or who has received or has had access to such unpublished price sensitive information.
- i. **“Officer”** means any person as defined in clause (30) of Section 2 of the Companies Act, 1956 including an auditor of the company.

Section 2(30) of the Companies Act, 1956 provides that “Officer of a Company” includes any director, manager or secretary or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act.

- j. **“Price Sensitive Information”** means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of the shares of the Company.

Explanation: The following shall be deemed to be price sensitive information:

- (i) periodic financial results of the Company;
- (ii) intended declaration of dividends (interim and final);
- (iii) issue of securities of buy-back of securities;
- (iv) Any major expansion plans or execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of whole or substantially part of the undertaking; and
- (vii) significant changes in policies, plans or operations of the Company

The Chairman/Compliance Officer may recognize any other information also as Price Sensitive Information at any time.

- k. **“Regulations”** mean the SEBI (Prohibition of Insider trading) Regulations, 1992 as amended from time to time.

- l. **“Stock Exchange”** means a stock exchange which is recognised by the Central Government or SEBI or Securities Exchange Board of India under Section 4 of Securities Contracts (Regulations) Act, 1956 (42 of 1956).
- m. **“Trading Window”** means a trading period for trading in Company's shares as specified by the Company from time to time. The Directors/Officers/Designated Employees shall deal in shares of the Company only when the trading window is opened.
- n. **“Unpublished”** means information which is not published by the Company.
- Explanation: Speculative Reports in print or electronic media shall not be considered as published information
- o. **“Working Day”** means the working day when the regular trading is permitted on the concerned stock exchange where securities of the Company are listed.

All other words and phrases will have the same meaning as defined under the “Regulations” as amended from time to time and also under the “Act”.

4. Compliance Officer of the Company

- The Company Secretary of the Company is the Compliance Officer. In the absence of the Company Secretary, any other person authorized by the Chairman shall be the Compliance Officer.
 - The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearing of designated employees and their dependents trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.
 - The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
 - The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.
5. No Employee, Officer and Director shall either on his own behalf or on behalf of any other person, deal in shares of a Company while in possession of any unpublished price sensitive information.
6. No Employee, Officer and Director shall pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of shares of the Company.
7. No Employee, Officer and Director shall communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person, except in the case where communication is required in the ordinary course of business or profession or employment or under any law.

8. Price Sensitive Information should be disclosed only to those persons within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
9. All the Employees, Officers, Directors will have to keep the files containing confidential material relating to price sensitive information fully secured. Computer files must be kept with adequate security of login and password, etc.
10. The Designated Employee, Officer and Director shall be subject to trading restrictions in the following manner:-

A. Trading Window

The Trading window will be closed 7 clear days prior to declaration of financial results and declaration of dividends and at any other time as designated by the Compliance Officer if any unpublished price sensitive information is under active consideration at Ester; including those referred in clause 3(j). The Trading Window shall be opened after such Price Sensitive Information is made public or at such other time as decided by Chairman/Compliance Officer.

B. Restriction on Trading:-

No Designated Employee, Officer and Director (including their dependents) shall conduct any dealing in the shares of the Company during the closure of the Trading Window.

C. Pre-clearance of Trades:

Any Designated Employee, officer and Director (including their dependents) intending to deal in the securities of the Company exceeding the threshold limit of 10,000 shares, in a calendar month, will have to make:

- 1) An application to the Compliance Officer for pre-clearance of the transaction **as per Annexure 1.**
 - 2) An undertaking in favour of the Company **as per Annexure 2.**
- D. The transactions should be carried out only after receiving the pre-clearance from the Compliance Officer of the Company **as per Annexure 3.** If the transaction is not carried out within one week after the approval of pre-clearance is given, the Designated Employee/officer/ Director must apply for the pre-clearance of the transaction again.
- E. All Designated Employees/officer/Directors who buy or sell any number of shares of the Company shall not enter into an opposite transaction, i.e. sell or buy any number of shares during the next six months following the prior transaction.

However, in case the sale of shares is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/ her reasons in this regard.

11. REPORTING REQUIREMENT:

A. Initial Disclosures

All Directors/Officers of the Company shall disclose to the Board of Directors of the Company the number of shares or voting rights in the Company held by him/ her and his/ her dependents in the Company within 2 working days of his becoming a Director/Officer of the Company in the Form **as per Annexure 4**.

B. Continual Disclosures

- i. All Directors / Officers of Company shall disclose to the Company and the Stock Exchanges (where the shares of the Company is listed), the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holding of such person and his/her dependents and such change exceeds Rupees 5 Lac in value or 25000 shares or 1% of the total shareholding or voting rights, whichever is lower in the Form **as per Annexure 5**.
- ii. The continual disclosure as stated in para B(i) above shall be made to the Company and Stock Exchange -
 - a. within 2 working days of the receipt of intimation of allotment of shares or
 - b. the acquisition or sale of shares or voting rights, as the case may be.

C. Other Disclosures Periodical Disclosures

The Director/Officer/Designated Employee of the Company shall submit to the Compliance Officer –

- i. details of all holdings in securities (including holdings of dependents) of that company at the time of joining the company **as per Annexure 4**. The Director and Officer who has made the Initial disclosure as per Clause 11(A) is not required to make disclosure under this clause.
 - ii. an annual statement of transactions (including transactions of dependents) in securities whether pre-clearance of trades was obtained or not within 15 days from the end of the financial year **as per Annexure 6**.
 - iii. an Annual Statement of all the holdings (including holdings of dependents) of such person and his/her dependents within 15 days from the end of the financial year **as per Annexure 7**.
- 12.** The Compliance Officer shall maintain records of all the declarations in the appropriate form and application for which pre-clearance of trade given by the compliance officer and place the same before the Chairman of a monthly basis.

13. Disclosure by the Company to the Stock Exchanges:

Company shall disclose to all the Stock Exchanges where the shares of the Company are listed, the information received under sub-para (A)(i) and B(i) of Clause 11 hereinabove, within 2 days of receipt of the information.

14. Interpretation/clarification:

In case any difficulty or doubt arises in the interpretation of this 'Code of Conduct', the Directors/ Employees may consult with the Compliance Officer.

15. Penalty/Punishment:

Employees who trade in shares or communicate any information for trading in shares in contravention of this Code of Conduct are liable for disciplinary action by the Company under the relevant Service Regulations of the Company, based on a report submitted by the 'Compliance Officer' to the Chairman of the Company.

In addition to the action that may be taken by the Company, the persons violating these Regulations will also be subject to action by SEBI as per SEBI Act. In case of any violation, the Company shall inform SEBI accordingly.

16. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

In case it is observed by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992. SEBI shall be informed by the company.

Declaration by the Employee/Officer/Director -

I have read this Code of Conduct and understood the applicability, requirements, policies and compliances contained in the code. I agree to comply with this Code of Conduct and shall be responsible for adherence of this Code of Conduct by my Dependents also.

Signature: _____

Name: _____

Designation/office _____

Emp. Code _____

Department _____

Date _____

ANNEXURE -1

APPLICATION FOR PRE – CLEARANCE

To
The Compliance Officer,
Ester Industries Limited
Gurgaon

Dear Sir,

Subject: Application for Pre- Clearance

Name of Employee/Director/Officer	
Designation/office	
Level (in case of employee only)	
Employee Code (in case of employee only)	
Location of office (in case of employee only)	
Approval Seeking for	<input type="checkbox"/> Self <input type="checkbox"/> Dependent

With reference to the Code of Conduct for Prevention of Insider Trading of the Company, I seek your approval to purchase / sell the equity shares of the Company. The details of present holding and proposed transaction are as follows:

Name of Shareholder*	No. of Shares held	Folio No./ DP ID and Client ID	Details of Depository Participant where Demat A/c is maintained	Nature of Transaction (Purchase/ Sell)	No of shares to be dealt

*If shareholder is dependent of Director/officer/ Employee, also specify the relation of the shareholder with such Director/officer/ Employee.

In case the transaction falls under clause 10(E) of this Code of Conduct, the reason for making the opposite transaction –

I enclose herewith the form of Undertaking signed by me.
Yours faithfully,

(Signature of Employee/officer/Director)

Date :

Note : This application may also be submitted on our e-mail id shares.deptt@ester.in and followed by a hard copy.

ANNEXURE - 2

UNDERTAKING FOR APPLICATION FOR PRE – CLEARANCE

To
The Compliance Officer
Ester Industries Limited
Gurgaon

Dear Sir,

Subject: Undertaking for Pre-clearance of dealing in shares

I,, Director/officer/ Employee of the Company hereby undertake that –

1. I have not made any opposite transaction within previous 6 months from the date of the proposed transaction
2. I have no access or have not received "Price Sensitive Information" upto the time of signing the undertaking.
3. In case I access to or I receive any Price Sensitive Information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would completely refrain from dealing in the Securities of the Company till the time such Price Sensitive Information becomes public.
4. I have not contravened the Code as notified by the Company from time to time.
5. I have made full and true disclosure in the matter.

Yours faithfully,

(Signature of Employee/officer/Director)

Date:

ANNEXURE 3

PRE-DEALING APPROVAL/DISAPPROVAL LETTER

Date: _____

Approval No: __ _____

To,
Mr. /Mrs. _____

Emp No. : _____

Designation: _____

PRE-DEALING APPROVAL/DISAPPROVAL**YOUR APPLICATION FOR SHARE DATED.....**

Dear Mr. /Mrs. _____

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid for 1 week from the issue of such approval i.e. till _____

If you do not execute the approved transaction /deal on or before this date you would have to apply for fresh pre-dealing approval before the execution of the transaction.

Yours faithfully

Compliance Officer
Ester Industries Limited

ANNEXURE - 4

Details of shares held or positions taken in derivatives by Director, Employee or officer of a listed company and his dependents

Name, PAN No. & Address of Director/ Officer /Employee	Date of assuming office of Director / Officer/ /Employee	No. & % of shares/voting rights held at the time of becoming Director / Officer/ /Employee	Date of intimation to company	Mode of acquisition (market purchase / public / rights / preferential offer etc.)	Trading Member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value

Note: The above table shall be applicable with suitable modifications to disclosures for position taken in derivatives also.

(Signature of Employee/officer/Director)

Date:

ANNEXURE - 5

Details of change in shareholding by Director or Officer of a listed company

Name, PAN No. & Address of Director/ Officer	No. & % of shares/ voting rights held by the Director/ Officer	Date of receipt of allotment advice/ acquisition / sale of shares/ voting rights	Date of intimatio n to co	Mode of acquisition (market purchase/ public/right s/preferenti al offer etc.)	No. & % of shares/ post acquisition/ voting rights sale	Trading Member through whom the trade was execute d with SEBI Registrati on No. of the TM	Excha nge on which the trade was execut ed	Buy quanti ty	Buy value	Sell quanti ty	Sell value

(Signature of Officer/Director)

Date:

ANNEXURE 6

ANNUAL DISCLOSURES OF TRANSACTIONS IN THE COMPANY

To,
The Compliance Officer
Ester Industries Limited

Dear Sir,

ANNUAL DISCLOSURE for the year ended on_____

I,, identified as Employee/ officer/Director during the year ended on_____ I and my dependent family members have made the following transaction in the Equity Shares of the Company

Name of Shareholder*	Folio No./DP Id and Client ID	Nature of Transactions	Date of Transaction	Quantity of Shares dealt	Preclearance approval details if taken

Signature: _____

Name: _____

Designation/office_____

Emp. Code: _____

Dep./Div. _____

Date _____

*If shareholder is dependent of Director/officer/ Employee, also specify the relation of the shareholder with such Director/officer/ Employee.

ANNEXURE - 7

ANNUAL STATEMENT OF HOLDINGS IN THE COMPANY

To,
The Compliance Officer
Ester Industries Limited

Dear Sir,

Statement of Shareholdings in Ester Industries Limited

As on _____, I along with my Dependents hold the Securities of the Company, details whereof are as under:

Name of the Shareholder *	Ledger Folio no/DP ID and Client ID	Holdings in shares

Yours truly,

Signature: _____

Name: _____

Designation/office _____

Emp. Code: _____

Dep./Div. _____

Date _____

*If shareholder is dependent of Director/officer/ Employee, also specify the relation of the shareholder with such Director/officer/ Employee.