



Compliance Certificate

(Pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including any amendment/modifications thereof)

Date: 15.02.2024

To,

The Board of Directors

Ester Industries Limited

Sohan Nagar, P.O.Charubeta,

Khatima Distt.Udham Singh Nagar, Uttarakhand- 262308

Dear Sir/Madam,

Subject: Practicing Company Secretary's Certificate on compliance with the requirements of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended (the "SEBI ICDR Regulations"), in relation to proposed preferential issue of up-to 1,05,60,250 Equity Shares of Face Value of Rs. 5/- each ("Equity Share") by Ester Industries Limited ("the Company").

1. This certificate is issued in accordance with the terms of our engagement *vide* letter dated 14.02.2024.
2. We have been requested by the Board of Directors of Ester Industries Limited ("**the Company**") bearing CIN: L24111UR1985PLC015063 and having its registered office situated at Sohan Nagar, P. O. Charubeta, Khatima Distt. Udham Singh Nagar, Uttarakhand – 262308, India to certify that the proposed preferential issue of up-to **1,05,60,250** Equity Shares of face value of **Rs. 5/-** each at an issue price of **Rs. 94.60/-** per Equity Share aggregating to an amount up to **Rs. 99,89,99,650/- (Rupees Ninety-Nine Crores Eighty-Nine Lakhs Ninety-Nine Thousand Six Hundred and Fifty Only)** is in compliance with the provisions of Chapter V of the SEBI ICDR Regulations.
3. Further, it has been informed that the Board of Directors of the Company in their meeting held on Wednesday, February 14, 2024 approved the issue and allotment of Equity Shares of face value of Rs. 5/- (Rupees Five Only) each to the persons belonging to the 'Promoter & Promoter Group' and 'Non-Promoter' Category on preferential basis, aggregating up to Rs. 99,90,00,000/- (Rupees Ninety-Nine Crores Ninety Lakhs Only) at such price as may be determined by the Board / Committee of Directors in accordance with the provisions of Chapter V of SEBI ICDR Regulations, as amended and applicable provisions of Companies Act, 2013 and rules made thereunder for cash, subject to shareholder's approval ("**Proposed Preferential Issue**"). The proposed Preferential issue shall be made to the following proposed Allottees: (hereinafter referred to as "**Proposed Allottees**")



| Sl.No. | Name of the Proposed Allottees | Permanent Account Number | Amount in Rs. (up to) |
|--------------|--------------------------------|--------------------------|-----------------------|
| 1 | Mr. Arvind Singhania | AAVPS3280M | 24,90,00,000 |
| 2 | Mr. Kamallesh Jayant Shah | AAPPS4092K | 25,00,00,000 |
| 3 | Modi Rubber Ltd | AAACM2062R | 25,00,00,000 |
| 4 | RJ Corp Limited | AAACA2573R | 25,00,00,000 |
| Total | | | 99,90,00,000 |

4. Further, it has been informed that the Preferential Issue Committee of the Board of Directors of the Company, at their meeting held on Thursday, 15th February, 2024 approved the issuance of up-to 1,05,60,250 (One Crore Five Lakh Sixty Thousand Two Hundred and Fifty) Equity Shares of face value of Rs. 5/-per equity, at an issue price of Rs. 94.60/- (Rupees Ninety-Four and Sixty Paise Only) per equity share to the below mentioned allottees:

| Sl.No. | Name of the Proposed Allottees | Permanent Account Number | Number of Equity Shares to be issued |
|--------------|--------------------------------|--------------------------|--------------------------------------|
| 1 | Mr. Arvind Singhania | AAVPS3280M | 26,32,135 |
| 2 | Mr. Kamallesh Jayant Shah | AAPPS4092K | 26,42,705 |
| 3 | Modi Rubber Ltd | AAACM2062R | 26,42,705 |
| 4 | RJ Corp Limited | AAACA2573R | 26,42,705 |
| Total | | | 1,05,60,250 |

This certificate shall be available for inspection by the members of the Company and the same may be accessed on the Company's website as per requirements of Regulation 163(2) of the SEBI (ICDR) Regulations.

Management's Responsibility

5. The preparation of the accompanying Statement, including the preparation and maintenance of relevant supporting records and documents, is the responsibility of the Management of the Company.
6. Management is also responsible for providing all relevant information to the SEBI, and/or BSE Limited & The National Stock Exchange of India Limited.
7. The Management is also responsible for ensuring that the Company complies with the below requirements of the SEBI ICDR Regulations:
 - a) Determination of the relevant date, being the date thirty days prior to the date on which the meeting of Shareholders is held to consider the proposed preferential issue;
 - b) Determination of the minimum price of equity shares being not less than higher of the following:
 - A. The 90 trading days Volume Weighted Average Price of the related equity shares quoted



on the recognised stock exchange preceding the relevant date; or

- B. The 10 trading days Volume Weighted Average Price of the related equity shares quoted on the recognised stock exchange preceding the relevant date;
- C. Regulation 166A states that the said preferential issue, which will result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, and the same shall require a Valuation Report from an Independent Registered Valuer for determining the price.

The valuation report obtained from M/s. Corporate Professionals Valuation Services Private Limited, an Independent Registered Valuer, Registration No. IBBI/RV-E/02/2019/106 ("Valuation Report dated 15.02.2024") in terms of the provisions of Regulation 164 and 166A of the Chapter V of SEBI ICDR Regulations, 2018 is Rs. 94.41/- per Equity Share.

- c) Compliance of the applicable laws and ensuring the authenticity of documents and Information furnished.
- d) Compliance with the requirements of the SEBI ICDR Regulations.

Practicing Company Secretary's Responsibility

- 8. Pursuant to the requirements of Regulation 163(2) of Chapter V of the SEBI ICDR Regulations, as amended, it is our responsibility to provide limited assurance that the Proposed Preferential issue of Equity Shares to the proposed allottees as mentioned above, are being made in accordance with the requirements of "Chapter V- Preferential Issue" of the SEBI ICDR Regulations to the extent applicable and applicable provisions of the Act and rules framed thereunder.

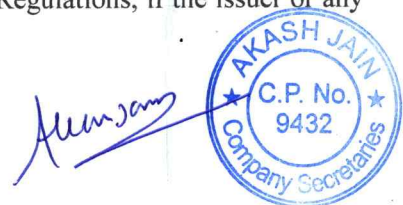
On the basis of the relevant management inquiries, necessary representations and information received from/furnished by the management of the Company ("**Management**"), as required under the aforesaid Regulations, we have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue. More specifically, we have performed the following procedures to confirm the compliance with required conditions:

- a) Reviewed the Memorandum of Association and Articles of Association of the Company.
- b) Reviewed the present capital structure including the details of the authorised, subscribed, issued, paid up share capital of the Company along with the shareholding pattern.
- c) Obtained and read the certified copy of resolution of the meeting of the Board of Directors of the Company (the "**Board**") held on Wednesday, February 14, 2024 approving the Issuance of Equity Shares face value of Rs. 5/- each aggregating to an amount upto Rs. 99,90,00,000/- (Rupees Ninety-Nine Crores Ninety Lakhs Only) for cash, on preferential basis to person belonging to Promoter & Promoter Group and Non-Promoter Group subject to the approval of the Members of the Company and the requisite regulatory approvals.





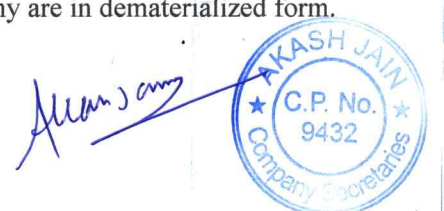
- d) Obtained and read the certified copy of resolution of the meeting of the Preferential issue Committee of the Board of Directors of the Company (the "**Board**") held on Thursday, February 15, 2024 approving the issuance of up-to 1,05,60,250 Fully Paid Equity Shares of face value of Rs. 5/-per equity, at an issue price of Rs. 94.60/- per equity share.
- e) Reviewed the list of Proposed Allottees.
- f) Obtained and read the notice of postal ballot dated February 14, 2024 containing the proposed special resolution and the corresponding explanatory statement under Section 102 of the Act seeking approval of the members of the Company for preferential issue of Equity Shares at an issue price of Rs. 94.60/- (Rupees Ninety-Four and Sixty Paise Only) per Equity Share and verified the following disclosures in the explanatory statement as required terms of the provisions of Companies Act, 2013 & Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and Regulation 163(1) of the SEBI ICDR Regulations:
- the objects of the proposed preferential issue;
 - the maximum number of equity shares to be issued;
 - the intent of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer;
 - the shareholding pattern of the issuer before and after the proposed preferential issue;
 - the time frame within which the proposed preferential issue shall be completed;
 - the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees except in the case of listed company, mutual fund, scheduled commercial bank, insurance company registered with the Insurance Regulatory and Development Authority of India where the regulation exempts disclosure of ultimate beneficial owner of such proposed allottees;
 - the percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue;
 - undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;
 - undertaking that if the amount payable on account on the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees;
 - disclosures specified in Schedule VI of the SEBI ICDR Regulations, if the issuer or any





of its promoters or directors is a willful defaulter or a fraudulent borrower.

- the current and proposed status of the allottee(s) post the preferential issues namely, non-promoter.
 - To verify the tenure of the convertible securities of the Company that it shall not exceed eighteen months from the date of their allotment - Not Applicable
 - To verify the lock-in period as required under Regulation 167 of regulations is mentioned in the Explanatory Statement annexed to the notice.
 - To verify the terms for payment of consideration and allotment as required under Regulation 169 of the SEBI ICDR Regulations.
- g) Computation of the minimum issue price of Equity Shares to be allotted in Preferential issue is in accordance with the SEBI ICDR Regulations. The minimum issue price for the Proposed Preferential Issue of the Company, based on the Chapter V of SEBI ICDR Regulations, have been worked out at Rs. 94.41/- per Equity Share, issue at Rs. 94.60/- per Equity Share;
- h) Compliance with minimum price for Proposed Preferential Issue in accordance with Regulation 164 read with Regulation 166A of the SEBI ICDR Regulations;
- i) Noted that the Relevant Date for the proposed preferential issue is Thursday, February 15, 2024 being thirty days prior to the last date of e-voting (i.e. Saturday, 16th March 2024);
- j) Board/shareholder's resolution and statutory registers to verify that promoter(s) or the promoter group has not failed to exercise any warrants of the Company which were previously subscribed by them; - Not Applicable
- k) Valuation Report of Independent Registered Valuer for pricing of infrequently traded shares - Not Applicable
- l) Confirmation of payment of Annual listing fees for the financial year 2023-24 in respect of Equity Shares of the Company listed on BSE Limited and The National Stock Exchange of India Limited;
- m) Confirmed that Pre-Preferential Issue shareholding of the Proposed Allottees is held in dematerialized form;
- n) Reviewed the statutory registers of the Company and list of shareholders issued by RTA:
- i. To note that the equity shares are fully paid-up;
 - ii. All equity shares held by the proposed allottee in the Company are in dematerialized form.





- o) Reviewed the disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 & SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if any, made by proposed allottee during the 90 trading days preceding the relevant date;
- p) Reviewed the details of buying, selling and dealing in the equity shares of the Company by the proposed allottees, promoter or promoter group during the 90 trading days preceding the relevant date;
- q) Obtained confirmation from the Company that none of the Proposed Allottees have sold or transferred any equity shares of the Company during the 90 trading days preceding the Relevant Date i.e. till the date of execution of this certificate;
- r) Verified the Permanent Account Number ("PAN") of the Proposed Allottees subscribing to the Preferential Issue from the copy of the PAN card, if applicable; and
- s) Conducted relevant management inquiry and obtained representation from the Management in this regard.

Conclusion

9. Based on our examination of such information/documents, explanation and written representations furnished to us by the management of the Company and to the best of our knowledge and belief, we hereby certify that proposed preferential issue is being made in accordance with the requirements of the Chapter V of the SEBI ICDR Regulations to the extent applicable and applicable provisions of the Act and rules framed thereunder except with respect to special resolution of shareholders which is expected to be passed through postal ballot (voting by electronic means). Accordingly, we confirm that the proposed preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations.

Restriction on Use

10. This Certificate is issued solely for the purpose of placing it before the shareholders of the Company and should not be used by any 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 Certificate for any events or circumstances occurring after the date of this Certificate.

**For M/s Akash Jain
Company Secretaries**

**Akash Jain
Proprietor**

**FCS: 9617 CP: 9432 PR 838/2020
UDIN: F009617E003435787**



Date: 15.02.2024

Place: Agra