



CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308,

Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. : (05943) 250158

Website : www.esterindustries.com, Email : investor@ester.in

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the **EXTRA-ORDINARY GENERAL MEETING (EGM)** of **ESTER INDUSTRIES LIMITED** will be held on **Friday, 10th June, 2022 at 5.00 PM** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), to transact the following business-

SPECIAL BUSINESS

APPROVAL FOR SALE OF ENGINEERING PLASTICS BUSINESS UNDERTAKING

To consider and if thought fit to pass, with or without modification, the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) and applicable rules (“**Rules**”) thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable law for the time being in force, the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be deemed necessary, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall include any Committee constituted by the Board or any person(s) authorised by the Board of the Company to exercise the powers conferred on the Board of the Company by this resolution) for the transfer of Engineering Plastics (EP) business division comprising of (a) (i) polymer alloys and, in particular, the engineering plastics compounds; and (ii) Polybutylene terephthalate (PBT) based, not compounded products, to be used in the optical fiber segment; along with (b) related business assets and liabilities, contracts, intellectual properties, employees, and new industrial plant located at Halol, Gujarat, which is under construction ((a) and (b) collectively referred to as “EP Business Undertaking”) as set out in the Business

Transfer Agreement (“BTA”) by way of a slump sale on a going concern basis to Radici Plastics India Private Limited, a company incorporated under provisions of Companies Act, 1956 having its registered office at DSM-501, DLF Tower, 5th Floor, 15, Shivaji Marg, New Delhi - 110015 (“Purchaser”), for an aggregate lumpsum consideration of Rs. 289.33 crores (Two Hundred Eighty Nine Crore and Thirty Three Lacs), subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements, deeds, undertaking and documents executed or to be executed by the Company and the Purchaser.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorised to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution (including finalizing, settling, executing and amending of, such documents/ writings/ deeds/papers/agreements as may be necessary or incidental thereto, including assignment/conveyance/ transfer documents, contracts, agreements and to seek their registration thereof with the concerned authorities, filing intimations with and/or obtaining approvals/consents with the concerned regulatory/statutory authorities, etc.), and also to take all other actions and decisions as it/they may, in its/their absolute discretion, deem appropriate and to deal with all questions or difficulties that may arise in the course of implementing the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or Officer(s) or Authorized Representative(s) of the Company in order to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respect.”

**By Order of the Board of Directors
For Ester Industries Limited**

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

Place : Gurugram

Date : 6th May, 2022

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by various circulars for extension of time to conduct EGM through VC/OAVM including Circular no. 20/2021 dated 8th December 2021 and Circular no. 03/2022 dated 5th May 2022 (MCA Circulars), physical attendance of the Members to the Extra-Ordinary General Meeting (EGM) venue is not required and EGM may be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

Accordingly EGM of the Company will be convened through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with applicable provisions of the Companies Act, 2013 and MCA Circulars and Members can attend the ensuing EGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and vote through electronic platform during and before the EGM as per the process mentioned in the Notice.

2. In terms of the Companies Act 2013, a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/ her behalf. Since EGM is being held through VC/OAVM as per MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Deemed venue for the EGM shall be the corporate office of the Company Block A, Plot no. 11, infocity-1, Sector 34, Gurgaon- 122001

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

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

6. In line with the MCA Circulars, electronic copy of the Notice of the Extra-Ordinary General Meeting of the Company inter-alia indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes. The Notice calling the EGM has been uploaded on the website of the Company at www.esterindustries.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and the EGM Notice is also available on the website of Central Depository Services (India) Limited (CDSL) (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com

7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for the resolution accompanying in the Notice, is annexed hereto. All documents referred to in this Notice shall be made available for inspection by the Members at the Registered Office of the Company during business hours except Saturday, Sunday and National Holiday from the date hereof up to the date of this EGM.

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

9. Since the EGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
10. The Company is providing facility for voting through electronic means before the date of EGM (Remote e-voting) as prescribed by the Companies (Management and Administration) Rules, 2014 and voting through electronic means during the EGM (E-Poll) available for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 14.
11. In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
12. The recorded transcript of the forthcoming EGM on 10th June, 2022, shall also be made available on the website of the Company www.esterindustries.com in the Investor Relations Section, as soon as possible after the Meeting is over.
13. Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant (in case of dematerialized shares) and Company's registrar and share transfer agent (in case of physical shares).

14. VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	9.00 AM 7 th June, 2022
End of E-voting	5.00 PM 9 th June, 2022

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and the MCA Circulars, the Company is providing facility of remote e-voting before the EGM and E-Poll through Remote E-voting during the EGM to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency which shall provide an electronic platform to give the facility of casting the votes by the members from remote place.
- II. The Members attending the EGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through

E-Poll. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the EGM but shall not be entitled to cast their vote again.

- III. A person who has acquired the shares after the dispatch of the Notice of the EGM and is member as on the **Cut-off date i.e. 3rd June, 2022** shall be entitled to exercise his/her vote either through remote e-voting or E-Poll by following the procedure mentioned hereunder.
- IV. The remote e-voting period commences at **9:00 AM 7th June, 2022 and ends at 5:00 PM 9th June, 2022**.
The remote e-voting module shall be blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e. 3rd June, 2022**.
- VI. Mr. Akash Jain, Company Secretary in Practice (Membership No. F9617 and COP No. 9432) has been appointed as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

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

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.esterindustries.com and on the website of CDSL viz. www.evotingindia.com immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be simultaneously forwarded to the National Stock Exchange of India Limited and BSE Limited. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be

displayed on the Notice Board of the company at its Registered Office and its Head Office.

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

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

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

- I. The shareholders should log on to the e-voting website www.evotingindia.com.
- II. Click on "Shareholders" module.
- III. Now enter your User ID
 - A. For CDSL: 16 digits beneficiary ID,
 - B. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - C. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- IV. Next enter the Image Verification as displayed and Click on Login.
- V. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- VI. If you are a first-time user follow the steps given below:

	<i>For Shareholders holding shares in Physical Form and Shareholders other than Individual Shareholders holding shares in demat form</i>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <i>*Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</i>

Dividend Bank Details OR Date of Birth (DOB)#	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <i># If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</i>
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- VII. After entering these details appropriately, click on "SUBMIT" tab.
- VIII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- IX. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- X. Click on the EVSN for ESTER INDUSTRIES LIMITED.
- XI. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIII. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XIV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

XVII. Additional Facility for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@ester.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

For Individual Shareholders holding shares in Demat Form:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) If you have opted for CDSL Easi / Easiest facility, you can login through your existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL to login to Easi / Easiest are https://web.cdslindia.com/myeasi/Home/Login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/ Easiest you will be able to see the e-voting option for ESTER INDUSTRIES LIMITED. On clicking the e-voting option, you will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of CDSL (Service Provider), so that you can visit the e-voting service providers’ website directly. 3) If the you are not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, you can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate you by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, you will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of CDSL.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

15. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM (E-POLL) ARE AS UNDER:-

- a. The procedure for e-voting on the day of the EGM is same as the instructions mentioned above for Remote e-voting in Note No. 14.
- b. Only those shareholders, who are present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote

- c. e-voting and are otherwise not barred from doing so, shall be eligible to vote through E-Poll available during the EGM.
- c. If Votes are cast by the shareholders through the e-voting available during the EGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- d. Shareholders who have voted through Remote e-voting before EGM will be eligible to attend the EGM. However, they will not be eligible to vote at the EGM.

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

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

17. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC/OAVM

- a) Members will be provided with a facility to attend the EGM through VC/OAVM or view the live webcast of EGM through the CDSL e-Voting system. Members may access the EGM by following the procedure stated in note No. 14. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Facility of joining the EGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the EGM and will be available for Members on first come first serve basis.
- c) Members are encouraged to join the Meeting through Laptops for better experience.
- d) Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video

loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- f) Members who would like to express their views or ask questions during the EGM must register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investor@ester.in at least 7 days before the date of the EGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the EGM.
- g) The shareholders who do not wish to speak during the EGM/ who have not registered themselves, but have queries may send their queries in advance 7 days prior to meeting mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investor@ester.in. These queries will be replied by the company suitably by email or during the Meeting.

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

19. In case you have any queries or issues regarding e-voting and/or attending the EGM through VC/ OAVM facility, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or contact 1800 22 55 33. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

20. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or Head Office address or e-mail their grievances/ queries to the Company Secretary as detailed below –

Registered Office:

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

Head Office:

Plot No. 11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, Haryana

Email Id: investor@ester.in

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

The Company propose to sell EP Business division comprising of (a) (i) polymer alloys and, in particular, the engineering plastics compounds; and (ii) concerning Polybutylene terephthalate (PBT) based, not compounded products, to be used in the optical fiber segment; along with (b) related business assets and liabilities, contracts, intellectual properties, employees, and new industrial plant located at Halol, Gujarat, which is under construction ((a) and (b) collectively referred to as “EP Business Undertaking”) as set out in the business transfer agreement (“BTA”) by way of a slump sale on a going concern basis to Radici Plastics India Private Limited, a company incorporated under provisions of Companies Act, 1956 having its registered office at DSM-501, DLF Tower, 5th Floor, 15, Shivaji Marg, New Delhi - 110015 (“Purchaser”), for an aggregate lumpsum consideration of Rs. 289.33 crores (Two Hundred Eighty Nine Crore and Thirty Three Lacs), subject to the adjustments specified in the BTA on the terms and conditions specified in the BTA and other agreements executed or to be executed by the Company and the Purchaser.

The Board in its meeting on 6th May, 2022 has, subject to approval from members of the Company, approved the sale of the EP Business Undertaking, by way of a slump sale on a going concern basis to the Purchaser in accordance with the terms of the BTA approved by the Board at the same meeting.

As per the terms of the BTA, the EP Business Undertaking which comprises of the following, as specifically set out in the BTA (where defined terms have been used herein and not defined, will have the meaning ascribed to it under the BTA):

1. the Transferred Assets and Transferred Liabilities;
2. the Business Contracts;
3. the Transferred Employees;
4. the Transferred Trademark;
5. the Transferred Data and Records; and
6. the items exhaustively specified under the BTA, shall be transferred by the Company to the Purchaser,

for an aggregate lumpsum consideration of Rs. 289.33 crores (Two Hundred Eighty Nine Crore and Thirty Three Lacs), subject to adjustments specified under the BTA on the terms and conditions specified in the BTA and other agreements executed or to be executed by the Company and the Purchaser. The closing of the Transaction is conditional upon passing of the Special Resolution by the shareholders of your Company and receipt of all the required approvals as set out in the BTA.

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013 (The Act), any sale, lease or otherwise disposal of the whole or substantially all of the undertaking of the Company required the approval of the members of the Company accorded by way of the special resolution. An undertaking for the purpose of Section 180(1) (a) of the Act means an undertaking in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Since the EP Business Undertaking exceeds the threshold specified herein, the transfer of the EP Business Undertaking requires approval of the members by a special resolution under Section 180(1)(a) of the Act.

The Board is of the opinion that the aforesaid special resolution is in the best interest of the Company and hence, recommends the special resolution for approval of the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, in any way, in the proposed resolutions except to the extent of their shareholding, if any, in the Company.

**By Order of the Board of Directors
For Ester Industries Limited**

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

Place : Gurugram
Date : 6th May, 2022