

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report on Financial Results of Ester Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Ester Industries Limited

1. We have audited the financial results of Ester Industries Limited ('the Company') for the year ended 31 March 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the financial results regarding the figures for the quarter ended 31 March 2019 as reported in these financial results, which are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2019 and our review of the financial results for the nine months period ended 31 December 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and



Walker Chandiok & Co LLP

- (ii) give a true and fair view of the net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



Ashish Gupta

Partner

Membership No. 504662



Place: New Delhi

Date: 13 May 2019

ESTER INDUSTRIES LIMITED

Regd. Office : Sohan Nagar, P.O. Charubeta, Khatima - 262 308. Distt. Udham Singh Nagar (Uttarakhand)

CIN - L24111UR1985PLC015063, Website : www.esterindustries.com; Email : investor@ester.in

Phone: (05943) 250153-57; Fax: (05943) 250158

Statement of Audited Results for the Quarter and Year ended on 31 March 2019

(Rs. in lacs)

(Rs. in lacs)						
Sr. No	Particulars	Quarter ended	Preceding quarter ended	Corresponding quarter ended	Current Year ended	Previous Year ended
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		(Audited) (as explained in Note 4)	(Unaudited)	(Audited) (as explained in Note 4)	(Audited)	(Audited)
PART I						
1	Income					
a)	Revenue from operations (refer note 2 and 3)	25,504.79	26,986.04	22,004.18	102,806.23	82,449.00
b)	Other Income	242.29	77.52	108.41	572.01	567.05
	Total income (a+b)	25,747.08	27,063.56	22,112.59	103,378.24	83,016.05
2	Expenses					
a)	Cost of materials consumed	15,971.90	18,788.98	14,448.74	70,459.51	52,674.23
b)	Excise duty (refer note 2)	-	-	-	-	1,774.84
c)	Changes in inventories of finished goods and work in progress	897.23	27.74	(80.26)	(267.10)	1,251.80
d)	Employee benefits expenses	1,444.56	1,088.23	1,184.04	4,727.92	4,428.46
e)	Finance cost	778.78	884.97	806.55	3,421.40	3,278.44
f)	Depreciation and amortisation expense	818.56	821.72	770.65	3,241.54	3,102.37
g)	Other expenses (refer note 3)	4,326.92	4,290.78	4,184.79	17,090.61	15,757.08
	Total expenses (a+b+c+d+e+f+g)	24,237.95	25,902.42	21,314.51	98,673.88	82,267.22
3	Profit from ordinary activities before tax (1-2)	1,509.13	1,161.14	798.08	4,704.36	748.83
4	Tax expense					
-	Current tax	324.18	256.31	174.02	1,058.48	177.58
-	Deferred tax expense	379.56	68.90	63.51	535.25	41.85
5	Net profit for the period / year (3-4)	805.39	835.93	560.55	3,110.63	529.40
6	Other Comprehensive Income					
a)	Items that will not be reclassified to profit and loss					
i)	Actuarial (loss) /gain on remeasurement of defined benefit plan	0.98	(19.60)	(27.35)	8.03	43.37
ii)	Income tax effect	(0.76)	5.43	9.04	(2.72)	(14.34)
	Other comprehensive income for the period/year (a(i+ii))	0.22	(14.17)	(18.31)	5.31	29.03
7	Total comprehensive income for the period/year (5+6)	805.61	821.76	542.24	3,115.94	558.43
8	Paid-up equity share capital (face value of share Rs. 5 each)	4,169.69	4,169.69	4,169.69	4,169.69	4,169.69
9	Other equity				27,271.90	24,155.96
10	Earning per share (face value of Rs. 5 each) (net annualised)					
	Basic EPS (in Rs)	0.97	1.00	0.67	3.73	0.63
	Diluted EPS (in Rs)	0.97	1.00	0.67	3.73	0.63

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Statement of Audited Results for the Quarter and Year ended on 31 March 2019

Segment Wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31 March 2019

(Rs. in lacs)

Sr. No	Particulars	Quarter ended	Preceding quarter ended	Corresponding quarter ended	Current Year ended	Previous Year ended
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
		(Audited) (as explained in Note 4)	(Unaudited)	(Audited) (as explained in Note 4)	(Audited)	(Audited)
1	Segment revenue (refer note 2 and 3)					
a)	Polyester chips & film	20,844.55	22,312.53	17,397.64	83,350.06	64,833.89
b)	Engineering plastic	4,660.24	4,673.51	4,606.54	19,456.17	17,615.11
	Revenue from operations	25,504.79	26,986.04	22,004.18	102,806.23	82,449.00
2	Segment results					
	Profit before tax and interest					
a)	Polyester chips & film	3,497.67	3,120.61	2,451.34	12,140.24	6,863.30
b)	Engineering plastic	153.99	147.76	254.79	769.28	1,253.92
	Total	3,651.66	3,268.37	2,706.13	12,909.52	8,117.22
	Less :					
a)	Finance cost	778.78	884.97	806.55	3,421.40	3,278.44
b)	Other un-allocable expenditure net off from un-allocable income	1,363.75	1,222.26	1,101.50	4,783.76	4,089.95
	Profit before tax	1,509.13	1,161.14	798.08	4,704.36	748.83
3	Segment assets					
a)	Polyester chips & film	42,936.92	45,050.34	45,067.92	42,936.92	45,067.92
b)	Engineering plastic	10,927.60	12,072.62	10,739.54	10,927.60	10,739.54
c)	Unallocated	12,674.54	13,877.32	14,598.19	12,674.54	14,598.19
	Total	66,539.06	71,000.28	70,405.65	66,539.06	70,405.65
4	Segment liabilities					
a)	Polyester chips & film	5,357.98	5,819.92	6,586.43	5,357.98	6,586.43
b)	Engineering plastic	396.07	633.52	764.23	396.07	764.23
c)	Unallocated	29,343.42	33,910.57	34,729.34	29,343.42	34,729.34
	Total	35,097.47	40,364.01	42,080.00	35,097.47	42,080.00

NOTES :

- The above results for the quarter and year ended 31 March 2019 have been reviewed by the Audit Committee and have been approved by the Board of Directors at the meeting held on 13 May 2019 and have been audited by the statutory auditors of the Company.
- Revenue for the quarters ended 31 March 2019, 31 December 2018 and 31 March 2018 are net of Goods and Services Tax (GST) which is applicable from 01 July 2017, however, revenue for the periods upto 30 June 2017 is net of VAT but gross of excise duty. Accordingly, revenue for the year ended 31 March 2019 is not comparable with the revenue for the year ended 31 March 2018. Similarly, cost of goods sold and expenses are also not comparable. The following additional information is being provided to facilitate such understanding :

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Statement of Audited Results for the Quarter and Year ended on 31 March 2019

Break up for income from operation

(Rs. in lacs)

Sr. No	Particulars	Quarter ended	Preceding quarter ended	Corresponding quarter ended	Current Year ended	Previous Year ended
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
1	Segment Revenue	(Audited) (as explained in Note 4)	(Unaudited)	(Audited) (as explained in Note 4)	(Audited)	(Audited)
	Polyester Chips & Film	20,844.55	22,312.53	17,397.64	83,350.06	64,833.89
	Engineering Plastic	4,660.24	4,673.51	4,606.54	19,456.17	17,615.11
	Gross Income From Operations	25,504.79	26,986.04	22,004.18	102,806.23	82,449.00
2	Excise Duty					
	Polyester Chips & Film	-	-	-	-	1,292.06
	Engineering Plastic	-	-	-	-	482.78
	Excise Duty	-	-	-	-	1,774.84
3	Segment Revenue					
	Polyester Chips & Film	20,844.55	22,312.53	17,397.64	83,350.06	63,541.83
	Engineering Plastic	4,660.24	4,673.51	4,606.54	19,456.17	17,132.33
	Net Income From Operations	25,504.79	26,986.04	22,004.18	102,806.23	80,674.16

3 The Company has adopted Ind AS 115 "Revenue from contracts with Customers" applying a modified retrospective transition approach, which replaces earlier revenue recognition standard. The Company has assessed that, in case of contracts with customers, some performance obligations comprise arranging for another party to provide certain services to the customers. Accordingly, revenue for such performance obligations is recognized as the difference between the consideration allocated for services provided to customers and the related costs for arranging the same. However, there is no impact on retained earnings of Company as at 01 April 2018 and its profit for the quarter ended 31 March 2019 and 31 December 2018 and year ended 31 March 2019.

Had the Company not adjusted the above mentioned amounts, the revenue from operations for the quarter ended 31 March 2019, 31 December 2018 and year ended 31 March 2019 would have been Rs. 25,670.67 lacs, Rs. 27,182.95 lacs and Rs. 103,514.54 lacs respectively and other expenses for these period would have been Rs 4,410.12 lacs, Rs 4,487.69 lacs, and Rs.17,716.24 lacs.

4 Figures for the quarter ended 31 March 2019 and 31 March 2018 represents the balancing figures between the audited figures for the financial year and published year to date reviewed figures upto the third quarter of the respective financial year.

5 Previous period figures have been re-grouped / reclassified wherever necessary, to conform to current period's classification.

6 The Board of Directors at its meeting held on 13 May 2019, has recommended final dividend of Rs. 0.50/- (Rs. Fifty paise only) per equity share for the year ended on 31 March 2019, subject to the approval of the shareholders of the Company in the forthcoming Annual General Meeting.



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For Ester Industries Limited

Arvind Singhania
Arvind Singhania
Chairman & CEO



Place : New Delhi
Date: 13 May 2019

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Statement of Assets and Liabilities as at 31 March 2019

(Rs. in lacs)

Sr. No	Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	38,525.25	39,659.59
	Capital work-in-progress	326.23	127.43
	Intangible assets	135.76	194.04
	Financial assets		
	Loans	718.03	728.19
	Other financial assets	39.88	94.63
	Income tax assets (net)	131.46	131.46
	Other non-current assets	192.90	32.40
	Sub total non-current assets	40,069.51	40,967.74
2	Current assets		
	Inventories	12,515.04	11,418.91
	Financial assets		
	Investments	17.13	27.07
	Trade receivables	12,280.00	14,818.60
	Cash and cash equivalents	20.79	70.24
	Other bank balances	583.15	642.37
	Loans	64.16	47.18
	Other financial assets	7.62	57.95
	Other current assets	981.66	2,355.59
	Sub total current assets	26,469.55	29,437.91
	Total	66,539.06	70,405.65
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	4,169.69	4,169.69
	Other equity	27,271.90	24,155.96
	Sub total equity	31,441.59	28,325.65
2	Non-current liabilities		
	Financial liabilities		
	Borrowings	6,105.32	2,752.92
	Other financial liabilities	103.12	191.42
	Provisions	847.70	893.99
	Deferred tax liabilities (net)	2,301.93	1,763.96
	Other non-current liabilities	2,774.89	2,927.53
	Sub total non-current liabilities	12,132.96	8,529.82
3	Current liabilities		
	Financial liabilities		
	Borrowings	16,731.41	23,613.27
	Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	78.34	37.40
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,242.15	3,833.96
	Other financial liabilities	2,938.50	5,110.36
	Other current liabilities	117.20	67.86
	Provisions	644.82	645.78
	Current tax liabilities (net)	212.09	241.55
	Sub total current liabilities	22,964.51	33,550.18
	Total	66,539.06	70,405.65



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