

**ESTER****INDUSTRIES LTD.**

CIN : L24111UR1985PLC015063

Date: 1<sup>st</sup> May 2024

<b>BSE Limited (BSE)</b> Department of Corporate services Phirojee Jeejeebhoy Towers Dalal Street, Mumbai – 400023	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
<b>Scrip Code: 500136</b>	<b>Symbol: ESTER</b>

Dear Sir/Madam,

**Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Execution of Joint Venture Agreement**

Pursuant to Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and approval of the Board in its meeting held today i.e. 1<sup>st</sup> May 2024, we wish to inform you that Ester Industries Limited (“**the Company or Ester**”) has entered into a Joint Venture Agreement (“**JV Agreement**”) with Loop Industries Inc. (“**Loop**”), a Company under the laws of State of Nevada with principal office at Quebec, Canada, to incorporate a Joint Venture Company in India for the purpose of engaging in the business of manufacture of DMT and/or MEG through depolymerisation of PET and/or Polyester waste using patented Loop technology.

Details required under Regulation 30 of the SEBI Listing Regulations read along with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July 2023 are enclosed herewith as ‘**Annexure A**’.

The meeting was commenced at 10:00 P.M. and concluded at 11:00 P.M.

Please take the same on your records.

Thanking You,

Yours Faithfully,

For **Ester Industries Limited**

**Poornima Gupta**  
**Company Secretary & Compliance Officer**

Encl: a/a

**Ester Industries Limited**

**Corporate Office** : Block-A, Plot No. 11, Infocity-I, Sector-34, Gurgaon - 122001 Haryana, India  
**Phone** : +91-124-2656100, 4572100 **Fax** : +91-124-4572199, 2656199 **E-Mail** : info@ester.in **Website** : www.esterindustries.com

**Regd. Office & Works** : Sohan Nagar, P. O. Charubeta, Khatima - 262308 Distt. Udham Singh Nagar, Uttarakhand  
**Phone** : EPABX No. (05943) 250153-57 **Fax No.**: (05943) 250158

Sr. No.	Particulars	Details
1.	Name(s) of parties with whom the agreement is entered	Ester Industries Limited (" <b>Company</b> ") Loop Industries Inc. (" <b>Loop</b> ")
2.	Purpose of entering into the agreement	The Parties have executed the Joint Venture Agreement for incorporation of a new Joint Venture Company (" <b>JVC</b> ") in India for the purpose of engaging in the business of manufacture of DMT and/or MEG through depolymerisation of PET and/or Polyester waste using patented Loop technology (referred to as rDMT and/or rMEG); and selling such rDMT and/or rMEG and such other speciality products as may be produced by the JVC using the rDMT and/or rMEG monomers.
3.	Shareholding, if any, in the entity with whom the agreement is executed	Both Ester and Loop will hold 50% in the proposed JVC with proportionate shareholder rights to voting, dividend distribution and other economic rights as per JV agreement.
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	(a) The entire project cost is expected to be approximately USD 165 million and the same will be funded through appropriate mix of debt and equity which shall be invested from time-to-time. (b) The Board of JVC shall consist of 6 Directors with equal representation from Ester and Loop. (c) The Chairman of JVC will be appointed on rotational basis for a period of 2 years and 1st Chairman will be appointed by Ester. (d) No action will be taken by JVC with respect to any of the Reserved Matters as set out in the JV agreement without consent of Ester and Loop including increase in the share capital of the JVC. (e) Lock-in period for both the shareholders will be 5 years from the commencement of commercial production.

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		<p>(f) Exclusive and perpetual Technology Licence for India will be provided by Loop to the JVC subject to the terms of a license agreement. Further, marketing of JV products will be done by Loop in accordance with and in terms of a marketing agreement.</p> <p>(g) Ester will provide necessary support to the JVC to set up the project in India pursuant to a services agreement.</p> <p>(h) Subject to the lock-in period, the shareholding of each of Ester and Loop is subject to right of first offer and tag along rights in favour of the other party in accordance with the JV agreement. In case of change of control of (a) Ester, Loop shall have a call option on Ester's shares in the JVC; and (b) Loop, Ester shall have a put option on Loop for all of Ester's shares held in the JVC, each in accordance with the JV agreement.</p>
5.	Whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	No
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<ul style="list-style-type: none"> <li>• The transaction will not fall within the related party transactions.</li> <li>• All transactions with the JVC after the operationalization of JVC will become related party transaction(s) and it would be on arm's length based on the value per share determined by an independent valuer.</li> </ul>
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued	The initial authorised share capital of the JVC shall be INR 10,00,00,000 consisting of 1,00,00,000 Equity Shares. The initial issued, subscribed and paid-up share capital of the JVC, shall be INR 20,00,000 ("Incorporation Capital"), consisting of 200,000 Equity Shares of face value of INR 10/- each, all of which shall be held by Ester and its nominee(s) at the time of incorporation of the JVC and will change once Loop is inducted in the JVC as a shareholder. Consequently, subject to completion of certain conditions precedent, post the investment of initial amount by Loop and

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		Ester, each of Loop and Ester shall hold 10,00,000 Equity Shares of the JVC.
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	There is no potential conflict of interest arising out of this JV Agreement.
9.	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not applicable

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