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Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Everest Kanto Cylinder Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of **Everest Kanto Cylinder Limited** ('the Company') for the year ended **31 March 2022**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under Section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls systems with reference to financial statements and the operating effectiveness of such controls.

Everest Kanto Cylinder Limited**Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.
12. We did not audit the financial information of a branch included in the Statement, whose financial information (before eliminating inter branch balances/ transactions) reflects total assets of ₹ 78.97 lakhs as at 31 March 2022, total revenues of ₹ 3.02 lakhs, total net profit after tax of ₹ 3.02 lakhs, total comprehensive income of ₹ 3.02 lakhs, and cash flows (net) of ₹ 2.03 lakhs for the year ended on that date, as considered in the Statement. These financial information have been audited by the branch auditor, whose report has been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the audit report of such branch auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

Bharat Shetty

Partner

Membership No:106815

UDIN:22106815AJSUWH1972

Place: Mumbai

Date: 27 May 2022

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A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2022

		(₹ in lakhs, unless otherwise stated)				
Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Refer note 3	(Unaudited)	Refer note 3	(Audited)	(Audited)
I	Revenue from operations	37,184	34,811	23,225	1,26,782	75,063
II	Other income	484	110	46	1,065	215
III	Total Income (I + II)	37,668	34,921	23,271	1,27,847	75,278
IV	Expenses					
	(a) Cost of materials consumed	21,343	18,682	10,523	64,857	35,258
	(b) Purchases of stock-in-trade	1,033	1,850	1,564	5,837	5,640
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,716)	(30)	(353)	(1,369)	(407)
	(d) Employee benefits expense	806	817	853	3,139	2,658
	(e) Finance costs	317	199	619	841	2,028
	(f) Depreciation and amortisation	491	493	484	1,942	1,903
	(g) Other expenses					
	- Power and fuel	1,575	1,533	1,027	5,373	3,290
	- Others	4,837	3,986	3,604	13,850	10,475
	Total Expenses	28,686	27,530	18,321	94,470	60,845
V	Profit before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	8,982	7,391	4,950	33,377	14,433
VI	Foreign exchange variation gain / (loss)	201	260	(54)	672	487
VII	Profit before exceptional items and tax (V + VI)	9,183	7,651	4,896	34,049	14,920
VIII	Exceptional items gain / (loss) (net) (Refer note 4)	(544)	-	(797)	(544)	950
IX	Profit before tax (VII + VIII)	8,639	7,651	4,099	33,505	15,870
X	Tax (expense) / credit					
	Current tax	(1,809)	(1,619)	(777)	(7,174)	(2,546)
	Deferred tax	(155)	(1,106)	(816)	(3,514)	(3,048)
XI	Profit after tax (IX + X)	6,675	4,926	2,506	22,817	10,276
XII	Other comprehensive income / (loss)					
	Items that will not be reclassified to profit and loss (net of tax)	9	(5)	1	(6)	1
	Total other comprehensive income / (loss)	9	(5)	1	(6)	1
XIII	Total comprehensive income (XI+XII)	6,684	4,921	2,507	22,811	10,277
XIV	Paid-up equity share capital (Face Value - ₹ 2 per share)	2,244	2,244	2,244	2,244	2,244
XV	Other equity excluding revaluation reserve				57,189	34,715
XVI	Basic and diluted earnings per share (of ₹ 2 each) (not annualised, except for year end) (in ₹)	5.95	4.39	2.23	20.34	9.16

EVEREST KANTO CYLINDER LIMITED
B. STANDALONE BALANCE SHEET

(₹ in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
	(Audited)	(Audited)
I ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	18,294	16,813
(b) Capital work-in-progress	3,127	3,457
(c) Investment Property	1,095	1,115
(d) Intangible assets	32	26
(e) Financial assets		
(i) Investments	2,507	2,498
(ii) Trade receivables	1,080	932
(iii) Loans	200	209
(iv) Other financial assets	1,002	930
(f) Deferred tax assets (net)	-	2,223
(g) Non-current tax assets (net)	592	77
(h) Other non-current assets	3,979	2,207
Total of non-current assets	31,908	30,487
2 Current assets		
(a) Inventories	20,210	12,279
(b) Financial assets		
(i) Investments	1,504	1,504
(ii) Trade receivables	19,452	13,245
(iii) Cash and cash equivalents	2,182	5,301
(iv) Bank balances other than cash and cash equivalents	1,120	1,117
(v) Loans	75	61
(vi) Other financial assets	311	360
(c) Other current assets	6,993	3,978
Total of current assets	51,847	37,845
Assets classified as held for sale	1,082	274
Total Assets	84,837	68,606
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,244	2,244
(b) Other equity	57,189	34,715
Total equity	59,433	36,959
2 Liabilities		
(i) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	43	5,638
(ii) Lease Liabilities	36	173
(iii) Other financial liabilities	25	25
(b) Deferred tax liabilities (net)	1,291	-
(c) Provisions	308	229
Total of non-current liabilities	1,703	6,065
(ii) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,651	5,992
(ii) Lease Liabilities	131	214
(iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	158	240
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,982	13,160
(iv) Other financial liabilities	3,307	1,012
(b) Other current liabilities	4,039	4,535
(c) Provisions	433	429
Total of current liabilities	23,701	25,582
Total Equity and Liabilities	84,837	68,606

EVEREST KANTO CYLINDER LIMITED
C. STANDALONE CASH FLOW STATEMENT

		(₹ in lakhs)	
		Year ended 31 March 2022	Year ended 31 March 2021
		(Audited)	(Audited)
A.	Cash flow from operating activities		
	Profit before tax	33,505	15,870
	Adjustments for :		
	Excess provision written back	(56)	(21)
	Bad debts / advances written off	240	581
	Liabilities no longer required written back	(407)	(44)
	Provision for doubtful debts	44	195
	Excess provision written back of inventories	(114)	(316)
	Unrealised foreign exchange (gain) / loss	11	(178)
	Depreciation and amortisation	1,942	1,903
	Impairment of property, plant and equipment	544	468
	Provision for diminution in value of Investments	-	13
	(Profit)/Loss on sale of property, plant and equipment (net)	113	(1,306)
	Profit on sale of subsidiary	-	(410)
	Provision for contingencies	-	329
	Fair valuation of financial guarantee	-	(5)
	Dividend Income	(46)	-
	Interest income	(104)	(89)
	Finance costs	841	2,028
	Operating profit before working capital changes	36,513	19,018
	Adjustment for :		
	(Increase) / decrease in inventories	(7,817)	(1,104)
	(Increase) / decrease in trade and other receivables	(9,522)	(8,735)
	Increase / (decrease) in trade and other payables	(3,878)	11
	Operating profit after working capital changes	15,296	9,190
	Direct taxes paid (net of refunds)	(7,689)	(2,174)
	Net cash generated from operating activities	7,607	7,016
B	Cash flow from investing activities		
	Inflow:		
	Interest income received	90	94
	Dividend Income received	46	-
	Sale proceeds of property, plant and equipment	113	269
	Sale proceeds of non-current investments (net)	-	6,025
	Repayment of inter-corporate deposit placed	-	23
		249	6,411
	Outflow:		
	Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	6,611	2,059
	Purchase of non current investment	-	13
	Refund of excess advance received against sale of property, plant and equipment	-	63
	Fixed deposits placed (net)	37	89
		6,648	2,224
	Net cash generated from / (used in) investing activities	(6,399)	4,187
C.	Cash flow from financing activities		
	Inflow:		
	Proceeds from non-current borrowings	-	911
		-	911
	Outflow:		
	Repayment of non-current borrowings	2,250	3,871
	Repayment of current borrowings (net) (excluding current maturities of non-current borrowings)	549	1,170
	Dividend Paid	337	-
	Finance costs paid	977	2,104
	Payment of lease obligations	214	196
		4,327	7,341
	Net cash (used in) financing activities	(4,327)	(6,430)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(3,119)	4,773
	Add: Cash and cash equivalents at the beginning of the year	5,301	528
	Cash and cash equivalents at the end of the year	2,182	5,301
	Cash on hand	22	17
	Balances with banks	2,160	5,284
	Total cash and cash equivalents	2,182	5,301
	Debt reconciliation statement in accordance with Ind AS 7		
	Current borrowings		
	Opening balance	5,382	6,615
	Proceeds from / (repayment of) borrowings (net)	(549)	(1,170)
	Interest expense	297	959
	Interest paid	(297)	(1,022)
	Closing balance	4,833	5,382
	Non-current borrowings (excluding lease liabilities)		
	Opening balance	6,247	9,222
	Repayment of borrowings	(2,250)	(3,871)
	Proceeds from borrowings	-	911
	Non-cash adjustments	-	20
	Interest expense	544	990
	Interest paid	(680)	(1,025)
	Closing balance	3,861	6,247

Note: The above Standalone Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows.

Notes :

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 May 2022. There are no qualifications in the audit report issued for the year ended 31 March 2022.
- 2 These statements have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2022 and 31 March 2021 represent the balancing figures between audited figures in respect of the full financial year and those published till the third quarter of the respective financial year, which were subjected to limited review by statutory auditors.
- 4 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the year ended 31 March 2021 includes profit on sale of premises of ₹ 1,337 lakhs, which was held for sale as at 31 March 2020.
 - (b) Capital work-in-progress as at 31 March 2022 included certain plant and equipment which had remained idle for a considerable period of time. Accordingly, management had performed an impairment test on these assets and had recorded an impairment provision of ₹ 544 lakhs during the year ended 31 March 2022 (₹ 468 lakhs during the year ended 31 March 2021).
 - (c) Exceptional item for the year ended 31 March 2021 includes profit on sale of subsidiary of ₹ 81 lakhs (net of provision for contingencies of ₹ 329 lakhs). Refer note 6.
- 5 In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the consolidated financial results of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial results.
- 6 During the year ended 31 March 2019, the Company along with EKC International FZE (UAE subsidiary) (collectively referred to as 'sellers') had entered into an equity transfer agreement for sale of its investments in EKC Industries (Tianjin) Co., Ltd ('EKC China') to a company in China ('the buyer'), for an aggregate consideration of RMB 93.50 Million. Pursuant to the terms of the equity transfer agreement, the sellers had transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Company had accounted for sale of investments in EKC China in accordance with the applicable Indian Accounting Standards. Post receipt of approvals from relevant authorities in China during the year ended 31 March 2021, the sellers had received RMB 85.39 Million as consideration and RMB 8.11 Million had been retained by the buyer for contingencies and/or open litigations of EKC China.
- 7 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24 March 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of Covid-19 cases. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these standalone financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, capital work-in-progress, trade receivables, capital advances, inventories and investments. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's standalone financial results, which may differ from impact considered as at the date of approval of these standalone financials results. The Company continues its business activities, in line with the guidelines issued by the Government authorities and take steps to strengthen its liquidity position. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.
- 8 Subject to necessary approval by the members in the ensuing Annual General Meeting of the Company, the Board of Directors have recommended a final dividend of ₹ 0.70 per equity share (face value of ₹ 2 each) for the year ended 31 March 2022.
- 9 Figures of previous period / year have been regrouped / rearranged, wherever considered necessary.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 27 May 2022

Pushkar Khurana
Chairman
DIN:- 00040489

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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Everest Kanto Cylinder Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **Everest Kanto Cylinder Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended **31 March 2022**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements/financial information of the subsidiaries, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors/management of the companies included in the Group, are responsible for assessing the ability of the respective companies in the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Everest Kanto Cylinder Limited**Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial statements/information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements/financial information of six subsidiaries included in the Statement and a Branch included in the audited separate financial statements of an entity included in the Group, whose financial information (before eliminating inter company balances/ transactions) reflects total assets of ₹ 87,873.74 lakhs as at 31 March 2022, total revenues of ₹ 44,178.25 lakhs, total net profit after tax of ₹ 4,758.90 lakhs, total comprehensive income of ₹ 5,877.32 lakhs and cash inflows (net) of ₹4,063.03 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements/ financial information have been audited by other auditors and the branch auditor, whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branch is based solely on the audit reports of such other auditors and the branch auditor and the procedures performed by us as stated in paragraph 11 above.

Everest Kanto Cylinder Limited**Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

Further, of these subsidiaries and a branch, four subsidiaries are located outside India, whose annual financial statements / financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, is based on the audit reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

13. The Statement includes the annual financial information of two subsidiaries, which have not been audited, whose annual financial information (before eliminating inter company balances / transactions) reflect total assets of ₹ 765.08 lakhs as at 31 March 2022, total revenues of ₹ 1,049 lakhs, total net loss after tax of ₹ 157.01 lakhs, total comprehensive loss of ₹ 146.55 lakhs and cash inflows (net) of ₹ 85 lakhs for the year ended on that date, as considered in the Statement. This financial information has been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the management.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

Bharat Shetty

Partner

Membership No:106815

UDIN:22106815AJSVPQ1206

Place: Mumbai

Date: 27 May 2022

Everest Kanto Cylinder Limited

Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1**List of entities included in the Statement****Subsidiary companies**

- EKC International FZE
- EKC Industries (Thailand) Co., Ltd
- Calcutta Compressions and Liquefaction Engineering Limited
- EKC Hungary Kft.
- CP Industries Holdings, Inc.
- EKC Europe GmbH
- Next Gen Cylinder Private Limited
- EKC Europe Zrt.

Branch

- EKC Industries (U.A.E.) – Dubai Branch

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A. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31 MARCH 2022

Sr. No.	Particulars	₹ in lakhs, unless otherwise stated				
		Quarter ended			Year ended	
		31.03.2022 Refer note 3	31.12.2021 (Unaudited)	31.03.2021 Refer note 3	31.03.2022 (Audited)	31.03.2021 (Audited)
	Continuing operations					
I	Revenue from operations	47,866	46,389	28,429	1,69,883	94,913
II	Other income	753	117	158	1,361	338
III	Total Income (I + II)	48,619	46,506	28,587	1,71,244	95,251
IV	Expenses					
	(a) Cost of materials consumed	26,325	23,818	13,227	82,482	45,097
	(b) Purchases of stock-in-trade	1,152	1,900	1,676	6,077	5,811
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,419)	32	(79)	618	(1,620)
	(d) Employee benefits expense	2,902	2,487	2,387	10,053	8,691
	(e) Finance costs	344	248	740	1,064	2,616
	(f) Depreciation and amortisation	880	860	840	3,503	3,536
	(g) Other expenses					
	- Power and fuel	2,184	2,057	1,380	7,420	4,564
	- Others	7,277	6,364	5,362	24,038	15,097
	Total Expenses	39,645	37,766	25,533	1,35,255	83,792
V	Profit before exceptional items and tax (III - IV)	8,974	8,740	3,054	35,989	11,459
VI	Exceptional items gain / (loss) (net)	(526)	-	(1,023)	1,148	3,259
VII	Profit before tax from continuing operations (V + VI)	8,448	8,740	2,031	37,137	14,718
VIII	Tax (expense) / credit					
	Current tax	(1,809)	(1,619)	(777)	(7,174)	(2,512)
	Deferred tax	(155)	(1,107)	(810)	(3,510)	(3,052)
IX	Profit after tax from continuing operations (VII + VIII)	6,484	6,014	444	26,453	9,154
	Discontinued Operations					
X	Profit / (Loss) from discontinued operations before tax	-	-	-	62	(160)
XI	Tax expense of discontinued operations	-	-	-	-	-
XII	Profit / (Loss) from discontinued operations after tax (X+XI)	-	-	-	62	(160)
XIII	Profit after tax from total operations (IX+XII)	6,484	6,014	444	26,515	8,994
XIV	Other comprehensive income					
	(i) Items that will not be reclassified to profit and loss (net of tax)	14	170	259	260	620
	(ii) Items that will be reclassified to profit and loss (net of tax)	573	128	(205)	1,034	(515)
	Total other comprehensive income (net of tax)	587	298	54	1,294	105
XV	Total Comprehensive Income (XIII+XIV)	7,071	6,312	498	27,809	9,099
XVI	Net Profit for the period/ year attributable to :					
	Equity shareholders of the Company	6,485	6,017	444	26,520	9,004
	Non controlling interests	(1)	(3)	-	(5)	(10)
	Total Comprehensive Income attributable to :					
	Equity shareholders of the Company	7,072	6,315	498	27,814	9,109
	Non controlling interests	(1)	(3)	-	(5)	(10)
XVII	Paid-up equity share capital (Face Value - ₹ 2 per share)	2,244	2,244	2,244	2,244	2,244
XVIII	Other equity excluding revaluation reserve				88,025	60,582
XIX	Basic and diluted earnings per share (of ₹ 2 each) (not annualised, except for year end) (in ₹)					
	(i) Continuing operations	5.78	5.36	0.40	23.58	8.17
	(ii) Discontinued operations	-	-	-	0.06	(0.15)
	(iii) Total operations	5.78	5.36	0.40	23.64	8.02

EVEREST KANTO CYLINDER LIMITED
B. CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

		As at 31 March 2022	As at 31 March 2021
Particulars		(Audited)	(Audited)
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		32,212	30,062
(b) Capital work-in-progress		3,815	4,636
(c) Investment Property		1,095	1,115
(d) Intangible assets		58	72
(e) Financial assets			
(i) Investments		330	320
(ii) Trade receivables		1,080	932
(iii) Loans		246	253
(iv) Other financial assets		1,351	1,409
(f) Deferred tax assets (net)		-	2,240
(g) Non-current tax assets (net)		626	103
(h) Other non-current assets		3,979	2,207
Total of non-current assets		44,792	43,349
2 Current assets			
(a) Inventories		41,775	29,895
(b) Financial assets			
(i) Trade receivables		22,649	16,319
(ii) Cash and cash equivalents		4,824	5,618
(iii) Bank balances other than cash and cash equivalents		1,303	1,405
(iv) Loans		155	63
(v) Other financial assets		314	368
(c) Other current assets		12,167	7,333
Total of current assets		83,187	61,001
Assets classified as held for sale		1,082	274
Total Assets		1,29,061	1,04,624
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		2,244	2,244
(b) Other equity		88,025	60,582
Equity attributable to owners		90,269	62,826
Non-controlling interests		30	-
Total equity		90,299	62,826
2 Liabilities			
(i) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		75	5,685
(ii) Lease Liabilities		1,017	1,291
(iii) Other financial liabilities		25	25
(b) Deferred tax liabilities (net)		1,270	-
(c) Provisions		2,220	2,058
Total of non-current liabilities		4,607	9,059
(ii) Current liabilities			
(a) Financial liabilities			
(i) Borrowings		11,302	14,649
(ii) Lease Liabilities		304	402
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		158	240
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		9,653	6,935
(iv) Other financial liabilities		2,909	2,400
(b) Other current liabilities		8,881	6,976
(c) Provisions		948	1,137
Total of current liabilities		34,155	32,739
Total Equity and Liabilities		1,29,061	1,04,624

EVEREST KANTO CYLINDER LIMITED
C. CONSOLIDATED CASH FLOW STATEMENT

		(₹ in lakhs)	
		Year ended 31 March 2022	Year ended 31 March 2021
		(Audited)	(Audited)
A. Cash flow from operating activities			
Profit / (Loss) before tax from:			
Continuing operations		37,137	14,718
Discontinued operations		62	(160)
Add / (Less):			
Excess provision written back		(56)	(122)
Bad debts / advances written off		240	620
Liabilities no longer required written back		(267)	(68)
Provision for doubtful debts		62	195
Excess provision written back of inventories (net)		(114)	(100)
Government grant accrued in respect of forgivable loan		(1,691)	-
Unrealised foreign exchange variation (gain) / loss (net)		1,013	(96)
Depreciation and amortisation		3,503	3,536
Impairment of property, plant and equipment		544	468
(Profit)/ loss on sale of property, plant and equipment (net)		113	(1,299)
Profit on sale of subsidiary		-	(2,945)
Provision for contingencies		-	555
Interest on financial assets measured at amortised cost		(111)	(85)
Dividend Income		(46)	-
Finance costs		1,064	2,616
Operating profit before working capital changes		41,453	17,833
Adjustment for :			
(Increase) / decrease in trade and other receivables		(12,011)	(10,344)
(Increase) / decrease in inventories		(11,407)	(21)
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities		6,185	3,116
Operating profit after working capital changes		24,220	10,584
Direct taxes paid (net of refunds)		(7,696)	(2,182)
Net cash generated from operating activities		16,524	8,402
B. Cash flow from investing activities			
Inflow:			
Interest income received		91	99
Dividend Income received		46	-
Fixed deposits matured		8	676
Proceeds from sale of subsidiary, net of cash transferred (net)		-	9,382
Sale proceeds of property, plant and equipment		113	339
Received from liquidator (Discontinued operation)		1,951	-
Repayment of inter-corporate deposit placed		-	23
		2,209	10,519
Outflow:			
Fixed deposits placed		65	-
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)		8,180	2,998
Purchase of non - current investment		-	13
Refund of excess advance received against sale of property, plant and equipment		-	63
		8,245	3,074
Net cash generated from / (used in) investing activities		(6,036)	7,445
C. Cash flow from financing activities			
Inflow:			
Proceeds from non-current borrowings		-	2,596
Proceeds from issue of equity shares to non-controlling interests		36	-
		36	2,596
Outflow:			
Repayment of non-current borrowings		2,863	4,447
Repayment of current borrowings (net) (excluding current maturities of non-current borrowings)		4,270	6,667
Finance costs paid		1,454	2,897
Amount paid to Parent Company as liquidation proceeds (Discontinued operation)		1,951	-
Payment of lease obligations		460	383
Dividend Paid		337	-
		11,335	14,394
Net cash used in financing activities		(11,299)	(11,798)
D. Effect of changes in exchange rates for cash and cash equivalents		17	9
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		(794)	4,058
Add: Cash and cash equivalents at the beginning of the year		5,618	1,560
Cash and cash equivalents at the end of the year - Total operations - (I)		4,824	5,618
Cash on hand		41	26
Balances with banks		4,783	5,592
Cash and cash equivalents at the end of the year		4,824	5,618

Note: The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows.

EVEREST KANTO CYLINDER LIMITED

D. SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Refer note 3	(Unaudited)	Refer note 3	(Audited)	(Audited)
1. Segment revenue					
<u>Continuing operations</u>					
a) India	37,184	34,811	23,224	1,26,782	75,098
b) U.A.E (Dubai)	5,328	6,549	3,402	24,062	11,503
c) U.S.A and Hungary	5,161	5,163	1,986	19,345	8,898
d) Others	258	378	601	1,008	1,779
Total	47,931	46,901	29,213	1,71,197	97,278
Inter segment revenue	65	512	784	1,314	2,365
Revenue from continuing operations	47,866	46,389	28,429	1,69,883	94,913
<u>Discontinued operations (Refer note 7)</u>					
China & Thailand	-	-	-	-	-
Revenue from discontinued operations	-	-	-	-	-
2. Segment results					
<u>Continuing operations</u>					
Segment Result (before foreign exchange variation gain / (loss), finance costs and tax):					
a) India	8,855	7,443	4,696	33,554	18,710
b) U.A.E (Dubai)	731	1,241	(10)	3,914	1,592
c) U.S.A and Hungary	(662)	201	(2,369)	1,104	(4,078)
d) Others	(18)	(75)	20	(230)	(7)
Total	8,906	8,810	2,337	38,342	16,217
Unallocable income / (expenses) (net)	(142)	44	26	39	90
Foreign exchange variation gain / (loss)	11	113	382	(266)	907
Finance costs	327	227	714	978	2,496
Profit before tax from continuing operations	8,448	8,740	2,031	37,137	14,718
<u>Discontinued operations (Refer note 7)</u>					
China & Thailand	-	-	-	62	(160)
Profit / (Loss) from discontinued operations before tax	-	-	-	62	(160)
3. Segment assets					
<u>Continuing operations</u>					
a) India	78,046	76,620	60,452	78,046	60,452
b) U.A.E (Dubai)	26,687	24,526	17,996	26,687	17,996
c) U.S.A and Hungary	20,870	22,159	21,000	20,870	21,000
d) Others	715	814	587	715	587
Total	1,26,318	1,24,119	1,00,035	1,26,318	1,00,035
Unallocated assets	2,758	2,853	4,459	2,758	4,459
Total segment assets - continuing operations (I)	1,29,076	1,26,972	1,04,494	1,29,076	1,04,494
<u>Discontinued operations (Refer note 7)</u>					
China & Thailand	-	-	130	-	130
Total segment assets - discontinued operations (II)	-	-	130	-	130
Total segment assets (I+II)	1,29,076	1,26,972	1,04,624	1,29,076	1,04,624
4. Segment liabilities					
a) India	13,543	12,767	9,906	13,543	9,906
b) U.A.E (Dubai)	3,762	4,642	3,606	3,762	3,606
c) U.S.A and Hungary	8,971	9,399	7,857	8,971	7,857
d) Others	69	124	93	69	93
Total	26,345	26,932	21,462	26,345	21,462
Add: Unallocated	12,432	16,816	20,333	12,432	20,333
Total segment liabilities - continuing operations (III)	38,777	43,748	41,795	38,777	41,795
<u>Discontinued operations (Refer note 7)</u>					
China & Thailand	-	-	3	-	3
Total segment liabilities - discontinued operations (IV)	-	-	3	-	3
Total segment liabilities (III+IV)	38,777	43,748	41,798	38,777	41,798

Notes :

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 May 2022. There are no qualifications in the audit report issued for the year ended 31 March 2022.
- 2 These statements have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2022 and 31 March 2021 represent the balancing figures between audited figures in respect of the full financial year and those published till the third quarter of the respective financial year, which were subjected to limited review by statutory auditors.
- 4 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the year ended 31 March 2022 includes ₹ 1,692 government grant accrued in respect of forgivable loan obtained from a bank and guaranteed by the U.S. Small Business Administration ("SBA"), an agency of the Government of the United States of America, under the Paycheck Protection Program.
 - (b) Capital work-in-progress as at 31 March 2022 included certain plant and equipment which had remained idle for a considerable period of time. Accordingly, management had performed an impairment test on these assets and had recorded an impairment provision of ₹ 544 lakhs during the year ended 31 March 2022 (₹ 468 lakhs during the year ended 31 March 2021).
 - (c) Exceptional item for the year ended 31 March 2021 includes profit on sale of premises of ₹ 1,337 lakhs, which was held for sale as at 31 March 2020.
 - (d) Exceptional item for the year ended 31 March 2021 includes profit on sale of subsidiary of ₹ 2,390 lakhs (net of provision for contingencies of ₹ 555 lakhs). Refer note 8.
- 5 During the year ended 31 March 2019, the Holding Company had decided to wind up the business operations of EKC Industries (Thailand) Co., Ltd post completion of requisite regulatory formalities in India and Thailand. During the quarter ended 30 September 2021, the Holding Company has registered the dissolution of EKC Industries (Thailand) Co., Ltd with the Ministry of Commerce, Thailand and is in the process of completion of liquidation. Accordingly, the results, assets and liabilities of Thailand operations have been reported as discontinued operations in these consolidated financial results. Being a discontinued operation, the Thailand operations have not been considered as separate reportable segment.
- 6 The Company, its subsidiaries and step down subsidiaries operate within a single business segment, except for Calcutta Compressions & Liquefaction Engineering Limited, which is in the business of purchase and distribution of natural gas, the operations of which are not material as compared to the overall business of the Group. Hence, the Group has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries and step down subsidiaries.
- 7 Profit / (Loss) from discontinued operations is completely attributable to equity shareholders of the Company. Further, Other comprehensive income do not include amounts pertaining to discontinued operations.
- 8 During the year ended 31 March 2019, the Group had entered into an equity transfer agreement for sale of its investments in EKC Industries (Tianjin) Co., Ltd ('EKC China') to a company in China ('the buyer'), for an aggregate consideration of RMB 93.50 Million. Accordingly, the results, assets and liabilities of China operations have been reported as discontinued operations in these consolidated financial results. Being a discontinued operation, the China operations have not been considered as separate reportable segment.

Pursuant to the terms of the equity transfer agreement, the Group has transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Group has derecognised the assets and liabilities of EKC China at their carrying value on the date when the control is transferred, recognised the fair value of the consideration receivable and recognised the resulting gain on transfer of control in accordance with the applicable Indian Accounting Standards. Post receipt of approvals from relevant authorities in China during the quarter ended 31 March 2021, the Group has received RMB 85.39 Million as consideration and RMB 8.11 Million has been retained by the buyer for contingencies and/or litigations of EKC China.
- 9 The Board of Directors have recommended a final dividend of ₹ 0.70 per equity share (face value of ₹ 2 each) for the year ended 31 March 2022, subject to necessary approval by the members in the ensuing Annual General Meeting of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 27 May 2022

Pushkar Khurana
Chairman
DIN:- 00040489