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**Independent Auditor's Report on Standalone Annual Financial Results of the Company pursuant to 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 2020, 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'), including relevant circulars issued by the SEBI from time to time.
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 report of the branch auditor as referred to in paragraph 13 below, 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') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, 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 2020.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 statements 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 and that obtained by the branch auditor, in terms of their report referred to in paragraph 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

## Everest Kanto Cylinder Limited

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

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#### Emphasis of Matter

4. We draw attention to Note 5 to the accompanying standalone financial results regarding delays in payment of foreign currency trade payables against the supply of goods, delay in repayment of foreign currency advance received from customer against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans aggregating ₹ 8,942 lakhs, ₹ 1,355 lakhs, ₹ 42 lakhs lakhs and ₹ 2,297 lakhs, respectively, that are outstanding as at 31 March 2020 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions are currently unascertainable but not expected to be material to the accompanying standalone financial results. Accordingly, the accompanying standalone financial results do not include any consequential adjustments with respect to such delays/defaults. Our report is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited 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 accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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.
6. 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.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Statement

8. 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.

**Everest Kanto Cylinder Limited**

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

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9. As part of an audit in accordance with the Standards on Auditing, 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 adequate internal financial controls with reference to financial statements 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 the 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 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; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company and such branches included in the Statement, of which we are the independent auditors. For the other branches included in the Statement, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. 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.
11. 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.

**Everest Kanto Cylinder Limited**

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

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**Other Matters**

12. The Statement includes the financial results for the quarter ended 31 March 2020, 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 subject to limited review by us.
13. 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 ₹ 422 lakhs as at 31 March 2020; total revenues of ₹ Nil, total net profit after tax of ₹ 2 lakhs; total comprehensive income of ₹ 2 lakhs, and cash flows (net) of ₹ 1 lakh for the year then ended, as considered in the Statement. This financial information has 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.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the branch auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No:042423

**UDIN No:20042423AAAADR5609**

**Place:** Mumbai

**Date:** 10 July 2020

**EVEREST KANTO CYLINDER LIMITED**

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021

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**A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31 MARCH 2020**

| Sr. No. | Particulars   | Quarter ended                             |                           |   | Year ended              |                         |
|---------|---|---|---------------------------|---|-------------------------|-------------------------|
|         |   | 31.03.2020<br>(Unaudited)<br>Refer note 3 | 31.12.2019<br>(Unaudited) | 31.03.2019<br>(Unaudited)<br>Refer note 3 | 31.03.2020<br>(Audited) | 31.03.2019<br>(Audited) |
| I       | Revenue from operations   | 14,593                                    | 12,123                    | 12,597                                    | 48,955                  | 45,249                  |
| II      | Other income (Refer note 7)   | 320                                       | 83                        | 92  | 527                     | 649                     |
| III     | <b>Total Income (I + II)</b>  | <b>14,913</b>                             | <b>12,206</b>             | <b>12,689</b>                             | <b>49,482</b>           | <b>45,898</b>           |
| IV      | <b>Expenses</b>   |   |                           |   |                         |                         |
|         | (a) Cost of materials consumed  | 7,793                                     | 7,564                     | 6,850                                     | 26,674                  | 24,548                  |
|         | (b) Purchases of stock-in-trade   | 987                                       | 205                       | 164                                       | 1,758                   | 1,237                   |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                   | 333                                       | (813)                     | (25)                                      | 897                     | 633                     |
|         | (d) Employee benefits expense   | 601                                       | 608                       | 656                                       | 2,418                   | 2,257                   |
|         | (e) Finance costs   | 673                                       | 720                       | 670                                       | 2,628                   | 2,614                   |
|         | (f) Depreciation and amortisation   | 676                                       | 543                       | 384                                       | 2,288                   | 1,312                   |
|         | (g) Other expenses  |   |                           |   |                         |                         |
|         | - Power and fuel  | 662                                       | 696                       | 641                                       | 2,506                   | 2,577                   |
|         | - Others  | 2,153                                     | 1,776                     | 2,136                                     | 7,035                   | 6,681                   |
|         | <b>Total Expenses</b>   | <b>13,878</b>                             | <b>11,299</b>             | <b>11,476</b>                             | <b>46,204</b>           | <b>41,859</b>           |
| V       | <b>Profit before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)</b> | <b>1,035</b>                              | <b>907</b>                | <b>1,213</b>                              | <b>3,278</b>            | <b>4,039</b>            |
| VI      | Foreign exchange variation gain / (loss)  | (506)                                     | 2                         | 699                                       | (570)                   | 520                     |
| VII     | <b>Profit before exceptional items and tax (V + VI)</b>   | <b>529</b>                                | <b>909</b>                | <b>1,912</b>                              | <b>2,708</b>            | <b>4,559</b>            |
| VIII    | Exceptional items gain / (loss) (net) (Refer note 4)  | (112)                                     | -                         | 33  | (112)                   | (505)                   |
| IX      | <b>Profit before tax (VII + VIII)</b>   | <b>417</b>                                | <b>909</b>                | <b>1,945</b>                              | <b>2,596</b>            | <b>4,054</b>            |
| X       | <b>Tax (expense) / credit</b>   |   |                           |   |                         |                         |
|         | Current tax   | (387)                                     | (73)                      | (708)                                     | (499)                   | (1,008)                 |
|         | Deferred tax (Refer note 6)   | 182                                       | (305)                     | 5,707                                     | (506)                   | 5,707                   |
| XI      | <b>Profit after tax (IX + X)</b>  | <b>212</b>                                | <b>531</b>                | <b>6,944</b>                              | <b>1,591</b>            | <b>8,753</b>            |
| XII     | <b>Other comprehensive income / (loss)</b>  |   |                           |   |                         |                         |
|         | Items that will not be reclassified to profit and loss (net of tax)                                 | 14  | -                         | (230)                                     | 14                      | (181)                   |
|         | <b>Total other comprehensive income / (loss)</b>  | <b>14</b>                                 | <b>-</b>                  | <b>(230)</b>                              | <b>14</b>               | <b>(181)</b>            |
| XIII    | <b>Total comprehensive income (XI+XII)</b>  | <b>226</b>                                | <b>531</b>                | <b>6,714</b>                              | <b>1,605</b>            | <b>8,572</b>            |
| XIV     | <b>Paid-up equity share capital</b><br>(Face Value - ₹ 2 each per share)                            | <b>2,244</b>                              | <b>2,244</b>              | <b>2,244</b>                              | <b>2,244</b>            | <b>2,244</b>            |
| XV      | <b>Other equity excluding revaluation reserve</b>   |   |                           |   | 24,438                  | 22,958                  |
| XVI     | <b>Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)</b>                   | <b>0.19</b>                               | <b>0.47</b>               | <b>6.19</b>                               | <b>1.42</b>             | <b>7.80</b>             |

EVEREST KANTO CYLINDER LIMITED  
B. STANDALONE BALANCE SHEET

(₹ in lakhs)

|             |  | As at<br>31 March 2020<br>(Audited) | As at<br>31 March 2019<br>(Audited) |
|-------------|--|-------------------------------------|-------------------------------------|
|             |  |                                     |                                     |
| <b>I</b>    | <b>ASSETS</b>  |                                     |                                     |
| <b>1</b>    | <b>Non-current assets</b>  |                                     |                                     |
|             | (a) Property, plant and equipment  | 19,444                              | 20,001                              |
|             | (b) Capital work-in-progress   | 1,505                               | 778                                 |
|             | (c) Intangible assets  | 20                                  | 21                                  |
|             | (d) Financial assets   |                                     |                                     |
|             | (i) Investments  | 2,474                               | 2,450                               |
|             | (ii) Loans   | 209                                 | 205                                 |
|             | (iii) Other financial assets   | 24                                  | 236                                 |
|             | (e) Deferred tax assets (net)  | 5,271                               | 5,714                               |
|             | (f) Current tax assets (net)   | 449                                 | -                                   |
|             | (g) Other non-current assets   | 1,675                               | 67                                  |
|             | <b>Total of non-current assets</b>   | <b>31,071</b>                       | <b>29,472</b>                       |
| <b>2</b>    | <b>Current assets</b>  |                                     |                                     |
|             | (a) Inventories  | 10,859                              | 11,663                              |
|             | (b) Financial assets   |                                     |                                     |
|             | (i) Investments  | 7,301                               | 7,304                               |
|             | (ii) Trade receivables   | 8,870                               | 8,479                               |
|             | (iii) Cash and cash equivalents  | 528                                 | 131                                 |
|             | (iv) Bank balances other than cash and cash equivalents                                    | 1,355                               | 1,096                               |
|             | (v) Loans  | 100                                 | 1,853                               |
|             | (vi) Other financial assets  | 375                                 | 291                                 |
|             | (c) Other current assets   | 1,615                               | 5,388                               |
|             | <b>Total of current assets</b>   | <b>31,003</b>                       | <b>36,205</b>                       |
|             | Assets classified as held for sale   | 1,835                               | 1,835                               |
|             | <b>Total Assets</b>  | <b>63,909</b>                       | <b>67,512</b>                       |
| <b>II</b>   | <b>EQUITY AND LIABILITIES</b>  |                                     |                                     |
| <b>1</b>    | <b>Equity</b>  |                                     |                                     |
|             | (a) Equity share capital   | 2,244                               | 2,244                               |
|             | (b) Other equity   | 24,438                              | 22,958                              |
|             | <b>Total of equity</b>   | <b>26,682</b>                       | <b>25,202</b>                       |
| <b>2</b>    | <b>Liabilities</b>   |                                     |                                     |
| <b>(i)</b>  | <b>Non-current liabilities</b>   |                                     |                                     |
|             | (a) Financial liabilities  |                                     |                                     |
|             | (i) Borrowings   | 5,182                               | 8,686                               |
|             | (ii) Other financial liabilities   | 274                                 | -                                   |
|             | (b) Provisions   | 155                                 | 197                                 |
|             | <b>Total of non-current liabilities</b>  | <b>5,611</b>                        | <b>8,883</b>                        |
| <b>(ii)</b> | <b>Current liabilities</b>   |                                     |                                     |
|             | (a) Financial liabilities  |                                     |                                     |
|             | (i) Borrowings   | 6,615                               | 7,137                               |
|             | (ii) Trade payables  |                                     |                                     |
|             | (a) Total outstanding dues of micro enterprises and small enterprises                      | 313                                 | 363                                 |
|             | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 12,510                              | 15,285                              |
|             | (iii) Other financial liabilities  | 6,346                               | 6,272                               |
|             | (b) Other current liabilities  | 5,756                               | 4,142                               |
|             | (c) Provisions   | 76                                  | 85                                  |
|             | (d) Current tax liabilities (net)  | -                                   | 143                                 |
|             | <b>Total of current liabilities</b>  | <b>31,616</b>                       | <b>33,427</b>                       |
|             | <b>Total Equity and Liabilities</b>  | <b>63,909</b>                       | <b>67,512</b>                       |

EVEREST KANTO CYLINDER LIMITED  
C. STANDALONE CASH FLOW STATEMENT

|           |  | (₹ in lakhs)                             |  |
|-----------|--|--|--|
|           |  | Year ended<br>31 March 2020<br>(Audited) | Year ended<br>31 March 2019<br>(Audited) |
| <b>A.</b> | <b>Cash flow from operating activities</b>   |  |  |
|           | <b>Profit before tax</b>   | <b>2,596</b>                             | <b>4,054</b>                             |
|           | <b>Adjustments for :</b>   |  |  |
|           | Excess provision written back  | (33)                                     | (101)                                    |
|           | Bad debts / advances written off   | 85                                       | 137                                      |
|           | Liabilities no longer required written back  | (151)                                    | (76)                                     |
|           | Provision for doubtful debts   | 230                                      | 149                                      |
|           | Excess provision written back of inventories   | (259)                                    | (98)                                     |
|           | Unrealised foreign exchange loss   | 831                                      | 196                                      |
|           | Depreciation and amortisation  | 2,288                                    | 1,312                                    |
|           | Impairment of property, plant and equipment  | -  | 1,306                                    |
|           | Reversal of diminution in value of investment  | -  | (3,000)                                  |
|           | Provision for doubtful loan  | 371                                      | 73                                       |
|           | Provision towards doubtful interest receivable   | -  | 2,297                                    |
|           | Profit on sale of property, plant and equipment (net)  | (3)                                      | (2)                                      |
|           | Fair valuation of financial guarantee  | (6)                                      | (7)                                      |
|           | Interest income  | (204)                                    | (285)                                    |
|           | Finance costs  | 2,628                                    | 2,614                                    |
|           | <b>Operating profit before working capital changes</b>   | <b>8,373</b>                             | <b>8,569</b>                             |
|           | <b>Adjustment for movements in:</b>  |  |  |
|           | Decrease / (Increase) in inventories   | 1,063                                    | (881)                                    |
|           | Decrease / (Increase) in trade and other receivables   | (241)                                    | (5,862)                                  |
|           | (Decrease) / Increase in trade and other payables  | 1,405                                    | 3,305                                    |
|           | <b>Operating profit after working capital changes</b>  | <b>10,600</b>                            | <b>5,131</b>                             |
|           | Direct taxes paid (net of refunds)   | (975)                                    | (254)                                    |
|           | <b>Net cash generated from operating activities</b>  | <b>9,625</b>                             | <b>4,877</b>                             |
| <b>B.</b> | <b>Cash flow from investing activities</b>   |  |  |
|           | <b>Inflow:</b>   |  |  |
|           | Interest income received   | 248                                      | 200                                      |
|           | Fixed deposits matured   | -  | 127                                      |
|           | Sale proceeds of property, plant and equipment   | 9  | 20                                       |
|           | Sale proceeds of current investments (net)   | 3  | -  |
|           | Advance received against sale of property, plant and equipment                                     | -  | 1,328                                    |
|           | Repayment of inter-corporate deposit   | 1,212                                    | 171                                      |
|           |  | <b>1,472</b>                             | <b>1,846</b>                             |
|           | <b>Outflow:</b>  |  |  |
|           | Purchase of property, plant and equipment / intangible assets (including capital work-in-progress) | 3,733                                    | 1,724                                    |
|           | Refund of excess advance received against sale of property, plant and equipment                    | 15                                       | -  |
|           | Fixed deposits placed  | 47                                       | -  |
|           |  | <b>3,795</b>                             | <b>1,724</b>                             |
|           | <b>Net cash (used in) / generated from investing activities</b>                                    | <b>(2,323)</b>                           | <b>122</b>                               |
| <b>C.</b> | <b>Cash flow from financing activities</b>   |  |  |
|           | <b>Inflow:</b>   |  |  |
|           | Proceeds from current borrowings (net)   | -  | 32                                       |
|           | Proceeds from non-current borrowings   | 401                                      | 1,285                                    |
|           |  | <b>401</b>                               | <b>1,317</b>                             |
|           | <b>Outflow:</b>  |  |  |
|           | Repayment of non-current borrowings  | 4,136                                    | 3,800                                    |
|           | Repayment of current borrowings (net)  | 584                                      | -  |
|           | Finance costs paid   | 2,369                                    | 2,623                                    |
|           | Finance costs on lease obligations paid  | 62                                       | -  |
|           | Repayment of lease obligations   | 155                                      | -  |
|           | Unclaimed dividend   | 1  | 4  |
|           |  | <b>7,307</b>                             | <b>6,427</b>                             |
|           | <b>Net cash used in financing activities</b>   | <b>(6,906)</b>                           | <b>(5,110)</b>                           |
|           | <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>                              | <b>396</b>                               | <b>(111)</b>                             |
|           | Add: Cash and cash equivalents at the beginning of the year  | 131                                      | 242                                      |
|           | <b>Cash and cash equivalents at the end of the year</b>  | <b>527</b>                               | <b>131</b>                               |
|           | <b>Cash and cash equivalents as per above comprises of the following:</b>                          |  |  |
|           | Cash on hand   | 64                                       | 26                                       |
|           | Balances with banks  | 463                                      | 105                                      |
|           | <b>Cash and cash equivalents at the end of the year</b>  | <b>527</b>                               | <b>131</b>                               |

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

**Notes (A to C):**

- 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 10 July 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures for the years ended on that date and the year to date figures up to the end of third quarter of the respective financial year, on which auditors had performed a limited review.
- 4 Exceptional items gain / (loss) (net) represent:
  - (a) Exceptional item includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of ₹ 259 lakhs (₹ 98 lakhs for the year ended 31 March 2019).
  - (b) Exceptional item for the quarter and year ended 31 March 2020 includes ₹ 371 lakhs provided towards impairment of loans advanced in the earlier years to Calcutta Compressions and Liquefaction Engineering Limited, a subsidiary company, based on management's assessment of the recoverable value of such loans.
  - (c) During the year ended 31 March 2019, the Company along with UAE subsidiary (collectively referred to as the 'sellers') had entered into an agreement to sell its entire stake in China subsidiary to a company in China ('the buyer'), for an aggregate consideration of RMB 93.50 Million (approx. ₹ 9,855 lakhs). The sale process had commenced wherein the sellers were in the advanced stage of consummation of the agreement and had already received a substantial amount of sales consideration in the Designated Escrow Account. Accordingly, during the year ended 31 March 2019, the Company had recorded a gain under 'Exceptional items' of ₹ 3,000 lakhs, constituting the reversal of provision made in the earlier accounting periods towards impairment of investment in the China subsidiary.
  - (d) Exceptional item for the year ended 31 March 2019 include provision towards doubtful recovery of interest receivable from EKC Industries (Tianjin) Co., Ltd. amounting to ₹ 2,297 lakhs.
  - (e) The assets of the Company included certain property, plant and equipment which had remained idle for a considerable period due to contraction in demand. Accordingly, management had performed impairment test on these assets and had recorded an impairment provision of ₹ 1,306 lakhs during the year ended 31 March 2019.
- 5 The outstanding balances as at 31 March 2020 include trade payables aggregating ₹ 8,942 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,355 lakhs, trade receivables aggregating ₹ 42 lakhs (net of provision ₹ 23 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (net of provision ₹ Nil) to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments, repayment of advance, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the accompanying standalone financial results, and accordingly, the accompanying standalone financial results do not include any adjustments that may arise due to such delay/default.
- 6 Considering the improvements in Company's performance and management's expectation of sustainable profits in future periods, the Company had in the previous year recognised deferred tax assets on brought forward business losses and unabsorbed depreciation. It had also accrued Minimum Alternate Tax (MAT) credit available as per Income-tax Act, 1961. Accordingly, the statement of profit and loss for the year ended 31 March 2019 included deferred tax credit of ₹ 5,707 lakhs recognised on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 7 Recognition of interest income of ₹ 63 lakhs (₹ 70 lakhs for the year ended 31 March 2019) in respect of loan given to a subsidiary has been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts.
- 8 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, which has impacted normal business operations of the Company. 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 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, investments, inventories, trade receivables and deferred tax assets. 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 financial results, which may differ from that considered as at the date of approval of these financials results. The Company has resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. However, 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, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.
- 9 The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 591 lakhs and accordingly recognised right-of-use assets at ₹ 399 lakhs by adjusting retained earnings by ₹ 125 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current year, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable.

The impact of adopting Ind AS 116 on the standalone financial results for the quarter and year ended 31 March 2020 is as follows:

| (₹ in lakhs)                  |  |   |                                      |
|-------------------------------|--|---|--------------------------------------|
|                               | Quarter ended<br>31.03.2020<br>(Erstwhile basis) | Quarter ended<br>31.03.2020<br>(Post adoption of<br>Ind AS 116) | Increase/<br>(Decrease)<br>in Profit |
| Other expenses                | 2,870  | 2,815   | 55                                   |
| Finance costs                 | 659  | 673   | (14)                                 |
| Depreciation and amortisation | 643  | 676   | (33)                                 |
| Profit before tax             | 409  | 417   | 8                                    |

| (₹ in lakhs)                  |   |  |                                      |
|-------------------------------|---|--|--------------------------------------|
|                               | Year ended<br>31.03.2020<br>(Erstwhile basis) | Year ended<br>31.03.2020<br>(Post adoption of<br>Ind AS 116) | Increase/<br>(Decrease)<br>in Profit |
| Other expenses                | 9,758   | 9,541  | 217                                  |
| Finance costs                 | 2,566   | 2,628  | (62)                                 |
| Depreciation and amortisation | 2,158   | 2,288  | (130)                                |
| Profit before tax             | 2,571   | 2,596  | 25                                   |

Place : Mumbai  
Date : 10 July 2020

**For and on behalf of the Board of Directors**  
**PUSHKAR**  
 Digitally signed by  
**PREMKUMAR KHURANA**  
 KHURANA  
 Pushkar Khurana  
 Chairman  
 DIN:- 00040489



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**Walker Chandio & Co LLP**

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**Independent Auditor's Report on Consolidated Annual Financial Results of the Company pursuant to 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'), and its joint venture for the year ended 31 March 2020, 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'), including relevant circulars issued by the SEBI from time to time.
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 of the subsidiaries and a branch, as referred to in paragraph 13 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 relevant rules issued thereunder, 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, and its joint venture, for the year ended 31 March 2020.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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, and its joint venture, 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 statements 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 and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

*Page 1 of 6*

## Everest Kanto Cylinder Limited

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

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#### Emphasis of Matter

4. We draw attention to Note 6 to the accompanying consolidated annual financial results regarding Holding Company's delays in payment of foreign currency trade payables against the supply of goods, delay in repayment of foreign currency advance received from customer against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans aggregating ₹ 8,942 lakhs, ₹ 1,355 lakhs, ₹ 42 lakhs lakhs and ₹ 2,297 lakhs, respectively, that are outstanding as at 31 March 2020 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, under the Foreign Exchange Management Act, 1999. The management of the Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions are currently unascertainable but not expected to be material to the accompanying consolidated financial results. Accordingly, the accompanying consolidated financial results do not include any consequential adjustments with respect to such delays/defaults. Our report is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Statement

5. 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 audited 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 after tax and other comprehensive income, and other financial information of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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 and its joint venture, 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 its joint venture, 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 statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint venture, are responsible for assessing the ability of the respective companies in the Group and of its joint venture, 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 either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group and of its joint venture, are responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

## Everest Kanto Cylinder Limited

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

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#### Auditor's Responsibilities for the Audit of the Statement

8. 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.
9. As part of an audit in accordance with the Standards on Auditing, 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 Holding Company has adequate internal financial controls 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 and its joint venture, 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 and its joint venture 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; and
  - Obtain sufficient appropriate audit evidence regarding the financial statements / financial information of the entities within the Group, and its joint venture, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial 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.
10. We communicate with those charged with governance of the Holding Company, 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.

**Everest Kanto Cylinder Limited**

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

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11. 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.
12. 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**

13. We did not audit the annual financial statements / financial information of eight subsidiaries included in the Statement and a branch included in the audited separate annual financial statements of an entity included in the Group, whose financial information (before eliminating inter company balances / transactions) reflects total assets of ₹ 126,471 lakhs as at 31 March 2020, total revenues of ₹ 27,861 lakhs, total net loss after tax of ₹ 629 lakhs, total comprehensive loss of ₹ 1,298 lakhs and cash inflows (net) of ₹ 295 lakhs for the year ended on that date, as considered in the respective audited separate annual financial statements / financial information of the entities included in the Group. 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 a branch is based solely on the audit reports of such other auditors and the branch auditor, and the procedures performed by us as stated above.

Further, of these subsidiaries and a branch, five 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 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 report 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.

14. The Statement includes the annual financial information of a subsidiary, which has not been audited, whose annual financial information (before eliminating inter company balances / transactions) reflect total assets of ₹ 1,371 lakhs as at 31 March 2020, total revenues of ₹ 2,362 lakhs, total net loss after tax of ₹ 45 lakhs, total comprehensive loss of ₹ 45 lakhs and cash outflows (net) of ₹ 7 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the year ended 31 March 2020, in respect of a joint venture, based on the annual financial information, which have not been audited by their auditor. These financial information have 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 subsidiary and a joint venture, 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.

# Walker Chandiok & Co LLP

**Everest Kanto Cylinder Limited**

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

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15. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, 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 subject to limited review by us.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No:042423

**UDIN No:20042423AAAADS8361**

**Place:** Mumbai

**Date:** 10 July 2020

## Everest Kanto Cylinder Limited

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

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### Annexure 1

#### List of entities included in the Statement

##### Subsidiary companies

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

##### Joint Venture

- Kamal EKC International Limited (upto 22 August 2019)

##### 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 2020**

| Sr. No. | Particulars   | (₹ in lakhs, unless otherwise stated)     |                           |   |                         |                         |
|---------|---|---|---------------------------|---|-------------------------|-------------------------|
|         |   | Quarter ended                             |                           | Year ended                                |                         |                         |
|         |   | 31.03.2020<br>(Unaudited)<br>Refer note 3 | 31.12.2019<br>(Unaudited) | 31.03.2019<br>(Unaudited)<br>Refer note 3 | 31.03.2020<br>(Audited) | 31.03.2019<br>(Audited) |
|         | <b>Continuing operations</b>  |   |                           |   |                         |                         |
| I       | Revenue from operations   | 19,866                                    | 19,120                    | 18,732                                    | 76,052                  | 70,209                  |
| II      | Other income  | 290                                       | 142                       | 98  | 668                     | 533                     |
| III     | <b>Total Income (I + II)</b>  | <b>20,156</b>                             | <b>19,262</b>             | <b>18,830</b>                             | <b>76,720</b>           | <b>70,742</b>           |
| IV      | <b>Expenses</b>   |   |                           |   |                         |                         |
|         | (a) Cost of materials consumed  | 11,214                                    | 10,326                    | 10,676                                    | 37,564                  | 35,057                  |
|         | (b) Purchases of stock-in-trade   | 1,075                                     | 234                       | 211                                       | 2,152                   | 2,308                   |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade   | (933)                                     | (402)                     | (608)                                     | 2,315                   | (966)                   |
|         | (d) Employee benefits expense   | 2,072                                     | 2,094                     | 2,270                                     | 8,323                   | 7,991                   |
|         | (e) Finance costs   | 877                                       | 1,024                     | 902                                       | 3,586                   | 3,562                   |
|         | (f) Depreciation and amortisation   | 1,190                                     | 1,048                     | 829                                       | 4,334                   | 3,029                   |
|         | (g) Other expenses  |   |                           |   |                         |                         |
|         | - Power and fuel  | 1,054                                     | 1,045                     | 1,035                                     | 3,974                   | 3,971                   |
|         | - Others  | 2,994                                     | 3,025                     | 3,524                                     | 12,123                  | 12,673                  |
|         | <b>Total Expenses</b>   | <b>19,543</b>                             | <b>18,394</b>             | <b>18,839</b>                             | <b>74,371</b>           | <b>67,625</b>           |
| V       | <b>Profit / (Loss) before provision for doubtful debts, foreign exchange variation gain / (loss), share of profit / (loss) of joint venture, exceptional items and tax (III - IV)</b> | <b>613</b>                                | <b>868</b>                | <b>(9)</b>                                | <b>2,349</b>            | <b>3,117</b>            |
| VI      | Provision for doubtful debts  | (144)                                     | (9)                       | (39)                                      | (65)                    | (14)                    |
| VII     | Foreign exchange variation gain / (loss)  | (464)                                     | (470)                     | 635                                       | (703)                   | 733                     |
| VIII    | <b>Profit / (Loss) before exceptional items, share of profit / (loss) of joint venture and tax (V + VI + VII)</b>   | <b>5</b>                                  | <b>389</b>                | <b>587</b>                                | <b>1,581</b>            | <b>3,836</b>            |
| IX      | Share of profit / (loss) of joint venture   | -   | -                         | -   | -                       | (1)                     |
| X       | <b>Profit / (Loss) before exceptional items and tax (VIII + IX)</b>   | <b>5</b>                                  | <b>389</b>                | <b>587</b>                                | <b>1,581</b>            | <b>3,835</b>            |
| XI      | Exceptional items gain / (loss) (net) (Refer note 4)  | 119                                       | -                         | (1,306)                                   | 119                     | (1,208)                 |
| XII     | <b>Profit / (Loss) before tax from continuing operations (X + XI)</b>   | <b>124</b>                                | <b>389</b>                | <b>(719)</b>                              | <b>1,700</b>            | <b>2,627</b>            |
| XIII    | <b>Tax (expense) / credit</b>   |   |                           |   |                         |                         |
|         | Current tax   | (384)                                     | (102)                     | (720)                                     | (536)                   | (1,022)                 |
|         | Deferred tax (Refer note 8)   | 184                                       | (313)                     | 5,707                                     | (491)                   | 5,707                   |
| XIV     | <b>Profit after tax from continuing operations (XII + XIII)</b>   | <b>(76)</b>                               | <b>(26)</b>               | <b>4,268</b>                              | <b>673</b>              | <b>7,312</b>            |
|         | <b>Discontinued Operations (Refer note 10)</b>  |   |                           |   |                         |                         |
| XV      | Profit / (Loss) from discontinued operations before tax   | 17  | (68)                      | 86  | (459)                   | (1,470)                 |
| XVI     | Tax expense of discontinued operations  | -   | -                         | -   | -                       | -                       |
| XVII    | <b>Profit / (Loss) from discontinued operations after tax (XV+XVI) (Refer note 10)</b>  | <b>17</b>                                 | <b>(68)</b>               | <b>86</b>                                 | <b>(459)</b>            | <b>(1,470)</b>          |
| XVIII   | <b>Profit / (Loss) after tax from total operations (XIV+XVII)</b>   | <b>(59)</b>                               | <b>(94)</b>               | <b>4,354</b>                              | <b>214</b>              | <b>5,842</b>            |
| XIX     | <b>Other comprehensive income / (loss)</b>  |   |                           |   |                         |                         |
| (i)     | Items that will not be reclassified to profit and loss (net of tax)   | (555)                                     | 164                       | (210)                                     | (697)                   | (161)                   |
| (ii)    | Items that will be reclassified to profit and loss (net of tax)   | 1,074                                     | 647                       | (881)                                     | 2,639                   | 1,693                   |
|         | <b>Total other comprehensive income / (loss) (net of tax) (Refer note 9)</b>  | <b>519</b>                                | <b>811</b>                | <b>(1,091)</b>                            | <b>1,942</b>            | <b>1,532</b>            |
| XX      | <b>Total Comprehensive Income (XVIII+XIX)</b>   | <b>460</b>                                | <b>717</b>                | <b>3,263</b>                              | <b>2,156</b>            | <b>7,374</b>            |
| XXI     | <b>Net Profit for the period attributable to :</b>  |   |                           |   |                         |                         |
|         | Equity shareholders of the Company  | (9)                                       | (84)                      | 4,359                                     | 298                     | 5,869                   |
|         | Non controlling interests   | (50)                                      | (10)                      | (5)                                       | (84)                    | (27)                    |
|         | <b>Total Comprehensive Income attributable to :</b>   |   |                           |   |                         |                         |
|         | Equity shareholders of the Company  | 510                                       | 727                       | 3,268                                     | 2,240                   | 7,401                   |
|         | Non controlling interests   | (50)                                      | (10)                      | (5)                                       | (84)                    | (27)                    |
| XXII    | <b>Paid-up equity share capital</b><br>(Face Value - ₹ 2 each per share)  | <b>2,244</b>                              | <b>2,244</b>              | <b>2,244</b>                              | <b>2,244</b>            | <b>2,244</b>            |
| XXIII   | <b>Other equity excluding revaluation reserve</b>   |   |                           |   | 51,602                  | 49,527                  |
| XXIV    | <b>Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)</b>   |   |                           |   |                         |                         |
|         | (i) Continuing operations   | (0.02)                                    | (0.01)                    | 3.81                                      | 0.67                    | 6.54                    |
|         | (ii) Discontinuing operations   | 0.02                                      | (0.06)                    | 0.08                                      | (0.41)                  | (1.31)                  |
|         | (iii) Total operations  | 0.00                                      | (0.07)                    | 3.89                                      | 0.26                    | 5.23                    |

**EVEREST KANTO CYLINDER LIMITED**  
**B. CONSOLIDATED BALANCE SHEET**

(₹ in lakhs)

|      |  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------|--|------------------------|------------------------|
|      |  | (Audited)              | (Audited)              |
| I    | ASSETS   |                        |                        |
| 1    | Non-current assets   |                        |                        |
|      | (a) Property, plant and equipment  | 33,774                 | 32,820                 |
|      | (b) Capital work-in-progress   | 2,631                  | 1,838                  |
|      | (c) Intangible assets  | 89                     | 104                    |
|      | (d) Investment accounted for using equity method   | -                      | -                      |
|      | (e) Financial assets   |                        |                        |
|      | (i) Investments  | 298                    | 279                    |
|      | (ii) Loans   | 253                    | 247                    |
|      | (iii) Other financial assets   | 24                     | 236                    |
|      | (e) Deferred tax assets (net)  | 5,292                  | 5,714                  |
|      | (f) Current tax assets (net)   | 467                    | 22                     |
|      | (g) Other non-current assets   | 1,675                  | 88                     |
|      | Total of non-current assets  | 44,503                 | 41,348                 |
| 2    | Current assets   |                        |                        |
|      | (a) Inventories  | 30,279                 | 30,705                 |
|      | (b) Financial assets   |                        |                        |
|      | (i) Investments  | -                      | 3                      |
|      | (ii) Trade receivables   | 11,838                 | 12,171                 |
|      | (iii) Cash and cash equivalents  | 1,560                  | 832                    |
|      | (iv) Bank balances other than cash and cash equivalents                                    | 2,288                  | 2,158                  |
|      | (v) Loans  | 208                    | 1,608                  |
|      | (vi) Other financial assets  | 426                    | 418                    |
|      | (c) Other current assets   | 4,389                  | 3,347                  |
|      | Total of current assets  | 50,988                 | 51,242                 |
|      | Assets classified as held for sale   | 8,376                  | 9,956                  |
|      | Total Assets   | 103,867                | 102,546                |
| II   | EQUITY AND LIABILITIES   |                        |                        |
| 1    | Equity   |                        |                        |
|      | (a) Equity share capital   | 2,244                  | 2,244                  |
|      | (b) Other equity   | 51,602                 | 49,527                 |
|      | Equity attributable to owners  | 53,846                 | 51,771                 |
|      | Non-controlling interests  | (75)                   | 9                      |
|      | Total of equity  | 53,771                 | 51,780                 |
| 2    | Liabilities  |                        |                        |
| (i)  | Non-current liabilities  |                        |                        |
|      | (a) Financial liabilities  |                        |                        |
|      | (i) Borrowings   | 5,257                  | 8,857                  |
|      | (ii) Other financial liabilities   | 1,608                  | -                      |
|      | (b) Provisions   | 2,453                  | 1,782                  |
|      | Total of non-current liabilities   | 9,318                  | 10,639                 |
| (ii) | Current liabilities  |                        |                        |
|      | (a) Financial liabilities  |                        |                        |
|      | (i) Borrowings   | 18,252                 | 18,121                 |
|      | (ii) Trade payables  |                        |                        |
|      | (a) total outstanding dues of micro enterprises and small enterprises                      | 438                    | 363                    |
|      | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 6,378                  | 5,423                  |
|      | (iii) Other financial liabilities  | 8,122                  | 9,449                  |
|      | (b) Other current liabilities  | 6,720                  | 5,882                  |
|      | (c) Provisions   | 532                    | 334                    |
|      | (d) Current tax liabilities (net)  | 17                     | 143                    |
|      | Total of current liabilities   | 40,459                 | 39,715                 |
|      | Liabilities directly associated with assets classified as held for sale                    | 319                    | 412                    |
|      | Total Equity and Liabilities   | 103,867                | 102,546                |



EVEREST KANTO CYLINDER LIMITED  
C. CONSOLIDATED CASH FLOW STATEMENT

|  |  | (₹ in lakhs)                |                             |
|--|--|-----------------------------|-----------------------------|
|  |  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|  |  | (Audited)                   | (Audited)                   |
| <b>A. Cash flow from operating activities</b>  |  |                             |                             |
| <b>Profit / (Loss) before tax from:</b>  |  |                             |                             |
| Continuing operations  |  | 1,700                       | 2,627                       |
| Discontinued operations  |  | (459)                       | (1,470)                     |
| <b>Adjustments for :</b>   |  |                             |                             |
| Excess provision written back  |  | (33)                        | (61)                        |
| Bad debts / advances written off   |  | 364                         | 411                         |
| Liabilities no longer required written back  |  | (163)                       | (93)                        |
| Provision for doubtful debts (net)   |  | 13                          | 7                           |
| Excess provision written back of inventories   |  | (259)                       | (98)                        |
| Depreciation and amortisation  |  | 4,334                       | 3,029                       |
| Impairment of property, plant and equipment  |  | 291                         | 1,306                       |
| Loss on sale of property, plant and equipment (net)  |  | 33                          | 59                          |
| Interest income  |  | (200)                       | (288)                       |
| Finance costs  |  | 3,586                       | 3,562                       |
| <b>Operating profit before working capital changes</b>   |  | <b>9,207</b>                | <b>8,991</b>                |
| <b>Adjustment for movements in:</b>  |  |                             |                             |
| (Increase) / decrease in trade and other receivables   |  | (1,039)                     | (3,395)                     |
| (Increase) / decrease in inventories   |  | 685                         | (3,876)                     |
| Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities       |  | 1,331                       | 3,918                       |
| <b>Cash generated from / (used in) operating activities</b>  |  | <b>10,184</b>               | <b>5,638</b>                |
| Direct taxes paid (net of refunds)   |  | (989)                       | (275)                       |
| <b>Net cash generated from / (used in) operating activities</b>                                    |  | <b>9,195</b>                | <b>5,363</b>                |
| <b>B. Cash flow from investing activities</b>  |  |                             |                             |
| <b>Inflow:</b>   |  |                             |                             |
| Interest income received   |  | 244                         | 206                         |
| Fixed deposits matured   |  | 83                          | -                           |
| Sale proceeds of current investments (net)   |  | 3                           | -                           |
| Sale proceeds of property, plant and equipment   |  | 146                         | 2,393                       |
| Advance received against sale of property, plant and equipment                                     |  | -                           | 1,328                       |
| Repayment of inter-corporate deposit   |  | 1,212                       | 171                         |
|  |  | <b>1,688</b>                | <b>4,098</b>                |
| <b>Outflow:</b>  |  |                             |                             |
| Purchase of property, plant and equipment / intangible assets (including capital work-in-progress) |  | 3,494                       | 2,655                       |
| Refund of excess advance received against sale of property, plant and equipment                    |  | 15                          | -                           |
| Fixed deposits placed  |  | -                           | 4                           |
|  |  | <b>3,509</b>                | <b>2,659</b>                |
| <b>Net cash generated from / (used in) investing activities</b>                                    |  | <b>(1,821)</b>              | <b>1,439</b>                |
| <b>C. Cash flow from financing activities</b>  |  |                             |                             |
| <b>Inflow:</b>   |  |                             |                             |
| Proceeds from current borrowings (net)   |  | 56                          | 1,035                       |
|  |  | <b>56</b>                   | <b>1,035</b>                |
| <b>Outflow:</b>  |  |                             |                             |
| Repayment of non-current borrowings (net)  |  | 4,522                       | 5,070                       |
| Finance costs paid   |  | 3,235                       | 3,569                       |
| Finance costs on lease obligations paid  |  | 133                         | -                           |
| Repayment of lease obligations   |  | 340                         | -                           |
| Unclaimed dividend   |  | 1                           | 4                           |
|  |  | <b>8,231</b>                | <b>8,643</b>                |
| <b>Net cash used in financing activities</b>   |  | <b>(8,175)</b>              | <b>(7,608)</b>              |
| <b>D. Change in currency fluctuation reserve arising on consolidation</b>                          |  | 1,529                       | 737                         |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>                            |  | <b>728</b>                  | <b>(69)</b>                 |
| Add: Cash and cash equivalents at the beginning of the year  |  | 832                         | 901                         |
| <b>Cash and cash equivalents at the end of the year</b>  |  | <b>1,560</b>                | <b>832</b>                  |
| <b>Cash and cash equivalents as per above comprises of the following:</b>                          |  |                             |                             |
| Cash on hand   |  | 95                          | 40                          |
| Balances with banks  |  | 1,465                       | 792                         |
| <b>Cash and cash equivalents at the end of the year</b>  |  | <b>1,560</b>                | <b>832</b>                  |

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

EVEREST KANTO CYLINDER LIMITED  
D. SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in Lakhs)

| Particulars  | Quarter ended               |                |                             | Year ended     |                |
|--|-----------------------------|----------------|-----------------------------|----------------|----------------|
|  | 31.03.2020                  | 31.12.2019     | 31.03.2019                  | 31.03.2020     | 31.03.2019     |
|  | (Unaudited)<br>Refer note 3 | (Unaudited)    | (Unaudited)<br>Refer note 3 | (Audited)      | (Audited)      |
| <b>1. Segment revenue</b>  |                             |                |                             |                |                |
| <b><u>Continuing operations</u></b>  |                             |                |                             |                |                |
| a) India   | 14,752                      | 12,391         | 13,279                      | 50,158         | 46,200         |
| b) U.A.E (Dubai)   | 2,872                       | 3,464          | 3,286                       | 13,599         | 14,914         |
| c) U.S.A and Hungary   | 2,268                       | 3,007          | 2,841                       | 12,725         | 11,785         |
| d) Others  | 851                         | 434            | 788                         | 2,362          | 2,586          |
| <b>Total</b>   | <b>20,743</b>               | <b>19,296</b>  | <b>20,194</b>               | <b>78,844</b>  | <b>75,485</b>  |
| Inter segment revenue  | 877                         | 176            | 1,462                       | 2,792          | 5,276          |
| <b>Revenue from continuing operations</b>  | <b>19,866</b>               | <b>19,120</b>  | <b>18,732</b>               | <b>76,052</b>  | <b>70,209</b>  |
| <b><u>Discontinued operations (Refer note 10)</u></b>                                    |                             |                |                             |                |                |
| China  | -                           | -              | -                           | -              | 54             |
| <b>Revenue from discontinued operations</b>  | <b>-</b>                    | <b>-</b>       | <b>-</b>                    | <b>-</b>       | <b>54</b>      |
| <b>2. Segment results</b>  |                             |                |                             |                |                |
| <b><u>Continuing operations</u></b>  |                             |                |                             |                |                |
| Segment Result (before foreign exchange variation gain / (loss), finance costs and tax): |                             |                |                             |                |                |
| a) India   | 1,643                       | 1,962          | 522                         | 5,715          | 5,035          |
| b) U.A.E (Dubai)   | 293                         | 277            | 88                          | 1,120          | 1,414          |
| c) U.S.A and Hungary   | (526)                       | (388)          | (1,179)                     | (1,139)        | (1,262)        |
| d) Others  | (11)                        | (20)           | 31                          | (46)           | (10)           |
| <b>Total</b>   | <b>1,399</b>                | <b>1,831</b>   | <b>(538)</b>                | <b>5,650</b>   | <b>5,177</b>   |
| Unallocable income / (expenses) (net)  | 33                          | 20             | 86                          | 206            | 279            |
| Foreign exchange variation gain / (loss)   | (464)                       | (470)          | 635                         | (703)          | 733            |
| Finance costs  | 844                         | 992            | 902                         | 3,453          | 3,562          |
| <b>Profit / (Loss) before tax from continuing operations</b>                             | <b>124</b>                  | <b>389</b>     | <b>(719)</b>                | <b>1,700</b>   | <b>2,627</b>   |
| <b><u>Discontinued operations (Refer note 10)</u></b>                                    |                             |                |                             |                |                |
| China  | 17                          | (68)           | 86                          | (459)          | (1,470)        |
| <b>Profit / (Loss) from discontinued operations before tax</b>                           | <b>17</b>                   | <b>(68)</b>    | <b>86</b>                   | <b>(459)</b>   | <b>(1,470)</b> |
| <b>3. Segment assets</b>   |                             |                |                             |                |                |
| <b><u>Continuing operations</u></b>  |                             |                |                             |                |                |
| a) India   | 46,780                      | 46,886         | 45,610                      | 46,780         | 45,610         |
| b) U.A.E (Dubai)   | 17,676                      | 16,359         | 14,627                      | 17,676         | 14,627         |
| c) U.S.A and Hungary   | 22,760                      | 22,732         | 22,841                      | 22,760         | 22,841         |
| d) Others  | 1,207                       | 860            | 859                         | 1,207          | 859            |
| <b>Total</b>   | <b>88,423</b>               | <b>86,837</b>  | <b>83,937</b>               | <b>88,423</b>  | <b>83,937</b>  |
| Unallocated assets   | 8,494                       | 9,635          | 9,909                       | 8,494          | 9,909          |
| <b>Total segment assets - continuing operations (I)</b>                                  | <b>96,917</b>               | <b>96,472</b>  | <b>93,846</b>               | <b>96,917</b>  | <b>93,846</b>  |
| <b><u>Discontinued operations (Refer note 10)</u></b>                                    |                             |                |                             |                |                |
| China  | 6,950                       | 6,757          | 8,700                       | 6,950          | 8,700          |
| <b>Total segment assets - discontinued operations (II)</b>                               | <b>6,950</b>                | <b>6,757</b>   | <b>8,700</b>                | <b>6,950</b>   | <b>8,700</b>   |
| <b>Total segment assets (I+II)</b>   | <b>103,867</b>              | <b>103,229</b> | <b>102,546</b>              | <b>103,867</b> | <b>102,546</b> |
| <b>4. Segment liabilities</b>  |                             |                |                             |                |                |
| a) India   | 9,517                       | 8,858          | 7,989                       | 9,517          | 7,989          |
| b) U.A.E (Dubai)   | 1,996                       | 1,718          | 2,177                       | 1,996          | 2,177          |
| c) U.S.A and Hungary   | 7,185                       | 6,560          | 6,295                       | 7,185          | 6,295          |
| d) Others  | 54                          | 75             | 236                         | 54             | 236            |
| <b>Total</b>   | <b>18,752</b>               | <b>17,211</b>  | <b>16,697</b>               | <b>18,752</b>  | <b>16,697</b>  |
| Add: Unallocated   | 31,013                      | 32,393         | 33,657                      | 31,013         | 33,657         |
| <b>Total segment liabilities - continuing operations (III)</b>                           | <b>49,765</b>               | <b>49,604</b>  | <b>50,354</b>               | <b>49,765</b>  | <b>50,354</b>  |
| <b><u>Discontinued operations (Refer note 10)</u></b>                                    |                             |                |                             |                |                |
| China  | 331                         | 314            | 412                         | 331            | 412            |
| <b>Total segment liabilities - discontinued operations (IV)</b>                          | <b>331</b>                  | <b>314</b>     | <b>412</b>                  | <b>331</b>     | <b>412</b>     |
| <b>Total segment liabilities (III+IV)</b>  | <b>50,096</b>               | <b>49,918</b>  | <b>50,766</b>               | <b>50,096</b>  | <b>50,766</b>  |

**Notes (A to D):**

- 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 10 July 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The figures for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures for the years ended on that date and the year to date figures up to the end of third quarter of the respective financial year, on which auditors had performed a limited review.
- 4 Exceptional items gain / (loss) (net) represent:
  - (a) Exceptional item includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of ₹ 259 lakhs (₹ 98 lakhs for the year ended 31 March 2019).
  - (b) The assets of the Holding Company include certain property, plant and equipment which had remained idle for a considerable period due to contraction in demand. Accordingly, management had performed impairment test on these assets and had recorded an impairment provision of ₹ 1,306 lakhs during the year ended 31 March 2019.
  - (c) Subsequent to year end, the Management of Calcutta Compressions and Liquefaction Engineering Limited, a subsidiary company, has decided to sell its property, plant and equipment. Accordingly, based on its assessment of recoverable value of such assets, an impairment provision of ₹ 140 lakhs has been considered during the quarter and year ended 31 March 2020.
- 5 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the 'Company'), its seven wholly owned subsidiaries and step-down subsidiaries, EKC Industries (Tianjin) Co. Ltd., EKC International FZE, EKC Industries (Thailand) Co.Ltd., EKC Hungary Kft, CP Industries Holdings, Inc., EKC Europe GmbH and Next Gen Cylinder Private Limited and also Calcutta Compressions & Liquefaction Engineering Limited and EKC Positron Gas Limited, subsidiaries in which it has majority stake and of joint venture, Kamal EKC International Limited. The financial results of these entities have been duly reviewed by the respective auditors of these entities, except for EKC Europe GmbH and Kamal EKC International Limited whose operations are not significant.
- 6 The outstanding balances (before eliminating inter-company balances) of the Holding Company as at 31 March 2020 include trade payables aggregating ₹ 8,942 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,355 lakhs, trade receivables aggregating ₹ 42 lakhs (net of provision ₹ 23 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (net of provision ₹ Nil) to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments, repayment of advance, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of regularising other defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the accompanying consolidated financial results, and accordingly, the accompanying consolidated financial results do not include any adjustments that may arise due to such delay/default.
- 7 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment. 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, step down subsidiaries and joint venture.
- 8 Considering the improvements in Holding Company's performance and management's expectation of sustainable profits in future periods, the Holding Company had in the previous year recognised deferred tax assets on brought forward business losses and unabsorbed depreciation. It has also accrued Minimum Alternate Tax (MAT) credit available as per Income-tax Act, 1961. Accordingly, the consolidated statement of profit and loss for the year ended 31 March 2019 included deferred tax credit of ₹ 5,707 lakhs recognized on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 9 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.
- 10 The Group had entered into an agreement to sell the EKC Industries (Tianjin) Co. Ltd. (China subsidiary) to a company in China, for an aggregate consideration of RMB 93.50 million (approx. ₹ 9,855 lakhs). Further, the Holding Company has also obtained requisite approval from its shareholders.

Accordingly, the results, assets and liabilities of Group's China operations have been reported as discontinued operations. Being a discontinued operation, the China operations have not been considered as separate reportable segment.
- 11 During the year ended 31 March 2019, the Holding Company has decided to wind up the business operations of EKC Industries (Thailand) Co., Ltd. The winding up would be completed post completion of requisite regulatory formalities in India and Thailand.
- 12 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The Group 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 financial results, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, inventories, trade receivables and deferred tax assets. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Group's financial results, which may differ from that considered as at the date of approval of these financials results. The Group has resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. However, the Group does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Group is yet closely monitoring the situation as it evolves in the future.

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**Notes (A to D):**

- 13 The Group has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 2,179 lakhs and accordingly recognised right-of-use assets at ₹ 1,946 lakhs by adjusting retained earnings by ₹ 165 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current period, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable.

The impact of adopting Ind AS 116 on the consolidated financial results for the quarter and year ended 31 March 2020 is as follows:

|  | (₹ in lakhs)                                     |   |                                      |   |  |                                      |
|--|--|---|--------------------------------------|---|--|--------------------------------------|
|  | Quarter ended<br>31.03.2020<br>(Erstwhile basis) | Quarter ended<br>31.03.2020<br>(Post adoption of<br>Ind AS 116) | Increase/<br>(Decrease)<br>in Profit | Year ended<br>31.03.2020<br>(Erstwhile basis) | Year ended<br>31.03.2020<br>(Post adoption of<br>Ind AS 116) | Increase/<br>(Decrease)<br>in Profit |
| Other expenses                               | 4,163  | 4,048   | 115                                  | 16,556  | 16,097   | 459                                  |
| Finance costs                                | 844  | 877   | (33)                                 | 3,453   | 3,586  | (133)                                |
| Depreciation and amortisation                | 1,109  | 1,190   | (81)                                 | 3,992   | 4,334  | (342)                                |
| Profit before tax from continuing operations | 123  | 124   | 1                                    | 1,716   | 1,700  | (16)                                 |

For and on behalf of the Board of Directors

PUSHKAR  
PREMKUMAR  
KHURANA  
Pushkar Khurana  
Chairman  
DIN:- 00040489

Digitally signed by PUSHKAR  
PREMKUMAR KHURANA  
Date: 2020.07.10 17:08:01  
+05'30'

Place : Mumbai  
Date : 10 July 2020