



EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company



**"FOR THOSE WHO DARE TO DREAM,
THERE IS A WHOLE WORLD TO WIN."**

P. K. KHURANA



Celebrating the life of Mr. Prem Khurana, visionary promoter of Everest Kanto Cylinder Limited, who left us all last year to continue on his onward journey. A man of great foresight, Mr. Khurana saw strong opportunity during the early days of Indian manufacturing and created a business of great and continuing value over four decades. A large-hearted man of humble beginnings, his life was dedicated to the pursuit of excellence and over the years he greatly inspired many who came in touch with him. For him, it was always taking people along: "Don't work for me, work with me".

Pulling everyone together, building teams, giving a sense of ownership came naturally to Mr. Khurana. Always willing to listen, always ready to share his wisdom, always respectful, trusting and reasonable. Now, upon his passing, while we feel a void in our lives, we remember him with love and fondness and we know that his blessings are always with us. We feel honoured to take forward his legacy and will continue to move forward on the path of principled commitment that he has shown us.

EKCFAMILY



BOARD OF DIRECTORS**Chairman, Executive Director**

Mr. Pushkar Khurana (w.e.f. November 14, 2019)

Managing Director

Mr. Puneet Khurana (w.e.f. November 14, 2019)

Independent Directors

Mr. M. N. Sudhindra Rao

Mrs. Uma Acharya

Mr. Ghanshyam Karkera

Dr. Vaijayanti Pandit (w.e.f. March 30, 2020)

CHIEF FINANCIAL OFFICER

Mr. Sanjiv Kapur

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bhagyashree Kanekar

BANKERS TO THE COMPANY

State Bank of India

Yes Bank Limited

ICICI Bank Limited

STATUTORY AUDITORS

M/s Walker Chandiok & Co LLP, Chartered Accountants, Mumbai (Formerly Walker, Chandiok & Co.)

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C-101, 247 Park,

L. B. S. Marg, Vikhroli (West),

Mumbai - 400 083

Tel. : (022) 4918 6000

Fax. : (022) 4918 6060

E-mail : rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

BOARD COMMITTEES**Audit Committee**

Mr. Ghanshyam Karkera (Chairman)

Mr. Puneet Khurana

(Member w.e.f. November 14, 2019)

Mr. M. N. Sudhindra Rao (Member)

Mrs. Uma Acharya (Member)

Nomination & Remuneration Committee

Mr. M. N. Sudhindra Rao

(Chairman w.e.f. November 14, 2019)

Mrs. Uma Acharya (Member)

Mr. Ghanshyam Karkera (Member)

Mr. Pushkar Khurana (Member)

Stakeholders' Relationship Committee

Mrs. Uma Acharya (Chairman)

Mr. Ghanshyam Karkera (Member)

Mr. Pushkar Khurana

(Member w.e.f. November 14, 2019)

Mr. Puneet Khurana

(Member w.e.f. November 14, 2019)

Corporate Social Responsibility Committee

Mrs. Uma Acharya (Chairman)

Dr. Vaijayanti Pandit (Member w.e.f. August 25, 2020)

Mr. Pushkar Khurana (Member)

Mr. Puneet Khurana

(Member w.e.f. November 14, 2019)

Sexual Harassment of Women at Workplace Committee

Mrs. Uma Acharya (Chairman)

Mrs. Jalaja Kutty (Member)

Ms. Bhagyashree Kanekar (Member)

REGISTERED OFFICE

204, Raheja Centre,

Free Press Journal Marg,

214, Nariman Point,

Mumbai – 400 021.

Tel.: 91 22 4926 8299 - 01

Fax: 91 22 2287 0720

E-mail: investors@ekc.in

Website: www.everestkanto.com

The Annual Report can be accessed at www.everestkanto.com

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NOTICE

Notice is hereby given that the Forty-first Annual General Meeting of the members of **EVEREST KANTO CYLINDER LIMITED** will be held on Tuesday, September 29, 2020, at 12:30 pm through Video Conference (VC) / Other Audio Visual Means (OAVM), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2020, which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2020, the Balance Sheet as at that date, the Auditor's Report and the Reports of the Board of Directors thereon.
2. To appoint a Director in place of Mr. Pushkar Khurana (DIN: 00040489) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the remuneration of Rs. 2,50,000/- plus applicable tax and out-of-pocket expenses of Mr. Vinayak B. Kulkarni, Cost Accountant, (Membership No. 28559), appointed by the Board of Directors as the Cost Auditor of the Company for the financial year 2020-2021, fixed by the Board of Directors on the recommendation of the Audit Committee, be and is hereby ratified and confirmed."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the rules) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Company be and is hereby accorded for the appointment of Mr. Puneet Khurana (DIN: 00004074) as the Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from November 14, 2019, on such terms and conditions as

mentioned below, with the authority to the Board of Directors and/or the Nomination & Remuneration Committee, to alter and vary the terms and conditions of the said appointment and/ or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to him in accordance with the provisions of the Act and the rules made thereunder.

(I) Remuneration:

a) Salary:

Rs. 15,00,000/- per month in the scale of Rs. 15,00,000 - 2,00,000 - 23,00,000.

b) Commission:

1% of the Net Profit as determined in accordance with the provisions of Section 197 of the Companies Act, 2013.

c) Perquisites:

(i) Housing:

1. Residential accommodation or house rent allowance of 40% of salary.
2. Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
3. The Company shall provide such furniture and furnishings as maybe required.

(ii) Medical Reimbursement:

Reimbursement for actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical expenses for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

(iii) Leave Travel Concession:

Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad in accordance with the rules of the Company.

(iv) Club Fees:

Subscription or reimbursement of club expenses of two clubs in India or abroad.

(v) Personal Accident Insurance:

Personal Accident Insurance policy for an amount, the annual premium of which shall not exceed Rs. 20,000/- per year.

(vi) Leave:

Privilege Leave as per rules of the Company.

(vii) Other perquisites:

Subject to the overall ceiling on remuneration mentioned herein below, he shall be entitled to any other allowances, benefits and perquisites as the Board of Directors may on the recommendation of the remuneration committee thereof may from time to time decide.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

(d) Amenities:

(i) Car & Telephone:

The Company shall provide car for use on Company's business and telephone at the Director's residence.

Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

(e) Others:

(i) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the overall ceilings laid down in sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said act as may for the time being in force.

(ii) Minimum Remuneration:

In the event of absence of profits or inadequacy of profits in any financial year, the aforesaid remuneration shall be governed by limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may be applicable for the time being in force.

RESOLVED FURTHER THAT the Board of Directors and / or the Nomination & Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable, including obtaining any approvals – statutory, contractual or otherwise, in relation to the above and execute all such agreements, documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act, the Companies (Appointment and Qualification of

Directors) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Dr. Vijayanti Pandit (DIN: 06742237) who was appointed as an Additional Director, Independent, Non-Executive by Board of Directors of the Company pursuant to the provisions of Section 161 of the Act, the Articles of Association of the Company, who holds office up to the date of this Annual General Meeting (AGM) and being eligible offers herself for appointment as an Independent Director and in respect of whom the board has received recommendation from the Nomination and Remuneration Committee along with a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years from March 30, 2020.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and based on the recommendation of the Nomination and Remuneration Committee, Mrs. Uma Acharya, (DIN: 07165976), who was appointed as an Independent Director of the Company and holds office up to May 26, 2020, being eligible for reappointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature as a Director, be and is hereby re-appointed as an Independent Director of the company to hold office for a second term of 5 consecutive years from May 26, 2020, and whose office shall not be liable to retire by rotation.”

By Order of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
 August 25, 2020

Registered Office

204, Raheja Centre, Free Press Journal Marg,
 214, Nariman Point, Mumbai - 400 021.

CIN: L29200MH1978PLC020434

Tel.: 91 22 4926 8299 - 01. Fax: 91 22 2287 0720

Email: investors@ekc.in. Website: www.everestkanto.com

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto.
2. In view of the ongoing Covid-19 pandemic and pursuant to the Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/ 2020 dated April 8, 2020 and Circular No. 17/ 2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs ('MCA') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Company has decided to hold its 41st AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") (hereinafter referred to as "Electronic Means") i.e. without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
3. The Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Facility of e-voting at the AGM is a two way teleconferencing or an electronic platform for ease of participation.
4. Further, the facility for voting through electronic voting system will also be made available at the Meeting and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through CDSL E-Voting platform. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to cast vote at the AGM.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI LODR Regulations, 2015, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in Register of Members or in Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cutoff date of September 22, 2020 only shall be entitled to avail the facility of remote e-voting/ e-voting at the AGM.
7. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com (e-mail id of CDSL). Any person who is not a member as on the cut-off date shall treat this notice for information purpose only.
8. Only those Members/ shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
9. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
10. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
11. The facility of joining the AGM through VC / OAVM shall be kept open for at least 15 minutes before the time schedule of the meeting and shall Facility shall not be closed till expiry of 15 minutes after such schedule time.
12. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
13. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, the requirements of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form is not annexed hereto.
14. As the AGM will be held through VC/OAVM, the route map of the venue of the Meeting and attendance slip is not annexed hereto.
15. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company scanned copies of the Board Resolution/ Letter of Authorisation / Power of Attorney pursuant to section 113 of the Companies Act 2013 together with their specimen

signature authorizing their representative to attend and vote at this AGM through VC / OAVM and vote on their behalf at the meeting or through remote e-voting.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@ekc.in.
19. Details pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 read with Secretarial Standard-2 issued by the Institute of the Company Secretaries of India (ICSI) in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is provided in "Annexure" to the notice and forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
20. Non-resident Indian members are requested to inform the Company on investors@ekc.in or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.
21. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.
22. This notice is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of August 28, 2020.
23. Rule 3 of the Companies (Management and Administration) Rules 2014, mandates that the register of members of all companies should include details pertaining to e-mail address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a

minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

24. As mandated by SEBI, effective from April 1, 2019 securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
25. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of the Annual General Meeting.
26. The Members, desiring any information relating to the accounts, are requested to write to the Company at an early date, so as to enable the management to keep the information ready.
27. As per Section 124 of the Companies Act, 2013, members are requested to note that dividends not claimed within seven consecutive years from the date of transfer to the Company's Unpaid Dividend Account has been transferred to the Investor Education and Protection Fund. In accordance with the following schedule, the dividend for the years mentioned below, if remaining unclaimed within a period of seven years, will be transferred to IEPF:

Financial Year	Date of declaration of dividend	Dividend per share	Due date for transfer	Amount (₹)
2012-13	July 22, 2013	0.20	August 28, 2020	1,33,740.40

28. In compliance with the regulatory provisions, the Annual Report of the Company for Financial Year 2019 - 20 along with the AGM Notice has been sent electronically only to those shareholders who have registered their e-mail addresses with their Depository Participant(s)/ RTA/ the Company. The same has been hosted on the website of the Company at www.everestkanto.com and also on websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

29. In accordance with, the General Circular No. 20/2020 dated May 05, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of

physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

30. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case of members holding shares in physical mode, they are requested to register / update their e-mail id by writing to the Company at investors@ekc.in / rnt.helpdesk@linkintime.co.in by providing their folio no. and scanned self-attested copy of PAN card and self-attested copy of any document such as Aadhaar Card, Passport, Driving Licence, Election identity Card, etc. in support of the registered address of the member. In case of members holding shares in demat mode, members are requested to register / update their e-mail id with the relevant depository participant.
31. The Board of Directors has appointed Mr. Aashish K. Bhatt, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
32. The Scrutinizer will after the conclusion of the e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting and prepare a consolidated report. The resolutions shall be deemed to be passed on the date of meeting i.e September 29, 2020, subject to the receipt of the requisite number of votes.
33. The Scrutinizer shall submit his consolidated report to the Chairman or any person authorized by him. The results shall be announced within 48 hours after the AGM. The results of AGM along with the consolidated scrutinizer's report shall be submitted to the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and shall also be uploaded on the website of the Company at www.everestkanto.com and website of the agency at www.evotingindia.com immediately after announcement.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The voting period begins on September 26, 2020 at 10:00 a.m. and ends on September 28, 2020 at 6:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the Members have cast their vote through remote e-voting, he/she shall not be allowed to change it subsequently or cast vote again. The Members will not be able to cast their vote electronically beyond the date and time mentioned above.

Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" module.
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for EVEREST KANTO CYLINDER LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

1. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at investors@ekc.in. Questions / queries received by the Company till 5.00 p.m. on Sunday, September 27, 2020 shall only be considered and responded during the AGM.
2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker at investors@ekc.in between 10:00 a.m. on Thursday, September 24, 2020 and 5.00 p.m. on Sunday, September 27, 2020.
3. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during

the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

34. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@ekc.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542 / 43.

By Order of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
 August 25, 2020

Registered Office
 204, Raheja Centre, Free Press Journal Marg,
 214, Nariman Point, Mumbai - 400 021.
 CIN: L29200MH1978PLC020434
 Tel.: 91 22 4926 8299 - 01. Fax: 91 22 2287 0720
 Email: investors@ekc.in. Website: www.everestkanto.com

ANNEXURE TO NOTICE

(Annexure is mentioned as per Regulation 36(3) of SEBI (LODR) Regulations, 2015)

As regards Item No. 2: details of Director seeking re-appointment at the forthcoming Annual General Meeting:

Name of the Director	Mr. Pushkar Khurana
DIN	00040489
Brief resume	Mr. Pushkar Khurana oversees International Business operations of the Company. Over the years, he has played an instrumental role in overall business development of the Company. Mr. Pushkar Khurana is a commerce graduate from Mumbai University and has also completed a course in Business Management from U.S.A. He is associated with EKC Group since last 26 years. Mr. Pushkar Khurana has a vast experience in the international and global markets and is one of the reasons behind the business expansion and diversification of EKC group globally.
Date of Birth	17.07.1972
Age	48 years
Nationality	Indian
Date of first appointment on the Board	12.09.1994; designated as Executive Chairman w.e.f. 14.11.2019
Qualifications	B.com, MBA in Business Management
Experience	26 years
Expertise in specific functional area	Expertise in International Business Expansion and Diversification
Terms and conditions of appointment	Terms of Re-appointment are as per the provisions of the Companies Act, 2013
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Pushkar Khurana is the Brother of Mr. Puneet Khurana (Managing Director)
Number of meetings of the Board attended during the year	3
Number of shares held in the Company (as on March 31, 2020)	75,03,973 shares
List of Directorships held in other companies*	Calcutta Compressions & Liquefaction Engineering Limited
Chairman / Member in committees of Board of Companies in which he/she is a Director*	Nil

* Directorships include Directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not).

As regards Item No. 3

The Board of Directors has, on recommendation of the Audit Committee, appointed Mr. Vinayak B. Kulkarni, Cost Accountant [Membership No. 28559], as the Cost Auditor of the Company for the financial year 2020-21 and fixed his remuneration.

In accordance with Rule 14 of The Companies (Audit and Auditors) Rules, 2014, the remuneration as approved by the Board, shall be ratified subsequently by the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

The Directors recommend the Resolution at Item no. 3 of the

Notice for approval by the members of the Company by way of Ordinary Resolution.

As regards Item No. 4

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee of the Company, appointed Mr. Puneet Khurana, as an Additional Director and Managing Director, subject to approval of members, for a period of 5 (five) years with effect from November 14, 2019.

Pursuant to Section 161 of the Companies Act, 2013 and amendments thereof, he holds office as Director up to the date of this AGM and is eligible for appointment as a Director. A Notice

under Section 160(1) of the Act has been received from a Member indicating his intention to propose him for the office of Director upto the date of this AGM.

He joined the Company in the year 1995 and prior to taking over as Managing Director of the Company, he was the CEO of the Company.

Considering the present scenario of the Company, background, competence and his experience alongwith the remuneration packages of similar personnel of other corporate bodies of same magnitude, the Nomination & Remuneration Committee at its meeting held on November 14, 2019 recommended remuneration as set out in the above resolution for a period as mentioned in sub clause iii of clause B of Section II of Part II of Schedule V of the Companies Act, 2013.

Statement as required pursuant to the provisions of sub clause iv of clause B of Section II of Part II of Schedule V of the Companies Act, 2013 is mentioned below:

I. General Information:

1. Nature of industry:

The Company is engaged in the manufacture of high pressure seamless gas cylinders and other cylinders, equipment's, appliances and tanks with their parts and accessories used for containing and storage of Compressed Natural Gases and other gases, liquids and air. Further, the Company is engaged in the trading of fire equipment and castor oil and generation of power.

2. Date or expected date of commencement of commercial production: June 24, 1978.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.

4. Financial performance based on given indicators

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Total Income	49,482.12	45,898.19	34,373.42
Profit Before Tax	2,595.90	4,053.37	1,775.94
Profit After Tax	1,590.87	8,752.56	1,305.04
Paid up Equity Capital	2,244.15	2,244.15	2,244.15
Reserves & Surplus	24,437.51	22,957.89	14,385.86

5. Foreign investments or collaborations, if any – Not Applicable

II. Information about the appointee:

1. Background details:

Mentioned in the table providing disclosures as per Secretarial Standards - 2 by ICSI

2. Past remuneration:

Mentioned in the table providing disclosures as per Secretarial Standards - 2 by ICSI.

3. Recognition or awards: NIL.

4. Job profile and suitability:

Mr. Puneet Khurana was Chief Executive Officer of the Company prior to his appointment as Managing Director of the Company w.e.f. November 14, 2019. He has made substantial contributions in growth of the company and is most suitable considering his present role in Company's organisational structure and day to day management of business operation of the Company.

5. Remuneration proposed:

As mentioned in the resolution.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).

Taking into consideration the size of the Company, nature of its operations, profile, knowledge, skills and responsibilities shouldered by him, remuneration proposed to be paid is in line with the industry standards.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

There exists no direct pecuniary relationship of him with the Company or relationship with the Managerial Personnel in terms of the Companies Act, 2013 except to the extent of remuneration paid to him and Mrs. Suman Khurana. Mrs. Suman Khurana is the mother of Mr. Puneet Khurana and is appointed as Head-CSR in the company.

III. Other information:

1. Reasons of loss or inadequate profits

At present, the performance of the Company is satisfactory as compared to the industry norms. Unforeseen events like Covid-19 pandemic or other emergencies/factors beyond the control of the management may affect the business performance of the Company in future.

2. Steps taken or proposed to be taken for improvement

Under the dynamic leadership of Mr. Puneet Khurana, the Company is continuously scouting for new business opportunities and expanding the existing facilities. The results are evidently remarkable and the Company has again started, making profits on standalone basis.

3. Expected increase in productivity and profits in measurable terms

It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and

profitability may improve and would be comparable with the industry average.

The terms and conditions of the payment in the remuneration as stated in the resolution of the notice in respect of Mr. Puneet Khurana may be treated as an abstract under Section 190 of the Companies Act, 2013. The same shall be available for inspection by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday up to the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 except Puneet Khurana and Mr. Pushkar Khurana, Executive Chairman and their relatives.

Details as required under the Secretarial Standards – 2 issued by the Institute of the Company Secretaries of India and as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 are furnished below:-

Name of the Director	Mr. Puneet Khurana
DIN	00004074
Brief resume	He has been performing a leadership role in the Company for last few years and has sphere headed various projects pertaining to new products development and overall growth of the Company
Date of Birth	12.12.1973
Age	47 years
Nationality	Indian
Date of first appointment on the Board	14.11.2019
Qualifications	B.com; MBA in International Business
Experience	25 years
Expertise in specific functional area	Mr. Puneet Khurana is a commerce graduate from Mumbai University and has done his Masters in Business Administration (International Business) from European University, Montreux, Switzerland. His achievements include exploiting international markets for the Company's CNG cylinders in Iran, Malaysia, Thailand & Bangladesh. He has been instrumental in developing business relations with Iran and OEM product development from the design stage to production with Bajaj Auto Limited (auto rickshaws), TATA Motors (Indica) and was closely involved in setting up the subsidiary in Tianjin, China. He has also been working with various gas companies in India like MGL / IGL / Adani Energy for providing solutions for CNG distribution. He has an expertise in Innovation, Research and Development in the field of cylinders and allied activities.
Terms and conditions of appointment	Terms of appointment are as per the provisions of the Companies Act, 2013
Remuneration sought to be paid	As mentioned in resolution
Remuneration last drawn	As mentioned in the Corporate Governance Report
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Pushkar Khurana, Executive Chairman is the brother of Mr. Puneet Khurana
Number of meetings of the Board attended during the year	3
Number of shares held in the Company (as on March 31, 2020)	82,05,459
List of Directorships held in other companies*	EKC Positron Gas Limited Calcutta Compressions & Liquefaction Engineering Limited Medical Engineers (India) Limited Next Gen Cylinder Private Limited
Chairman / Member in committees of Board of Companies in which he/she is a Director*	NIL

* Directorships include directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not).

The Directors recommend the Resolution at Item No. 4 of the Notice for the approval by the members of the Company by way of Special Resolution.

As regards Item No. 5:

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Dr. Vaijayanti Pandit (hereinafter referred to as "Dr. Pandit") as an Additional (Independent) Director on March 30, 2020. In terms of section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, she holds office as an Additional (Independent) Director only up to the date of the forthcoming Annual General Meeting.

Under section 149 of the Companies Act, 2013 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had proposed her appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years from March 30, 2020, subject to approval of shareholders in the ensuing Annual General Meeting.

Dr. Pandit is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from her that she meets the criteria of independence prescribed under sub-section (6) of Section 149 of the Act and under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has received a notice in writing pursuant to section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of her as an Independent Director.

Dr. Pandit possesses more than 40 years of experience. She has done her Ph. D in Management Studies from Jamnalal Bajaj

Institute of Management Studies. She has a Masters' Degree in Political Science, Diploma in Journalism and Yoga and topped the Pune University for Graduation. She is an Advisor to Welingkar Institute of Management Development and Research before which she was Vice President at Adfactors Group. She was also a Senior Director of the Federation of Indian Chambers of Commerce and Industry and was Secretary to Indian Merchants' Chamber.

She has built up a vibrant organization of woman entrepreneurs, managers, professionals during the period from 1982-99 that has grown exponentially as the largest in India. She was Secretary of Indian Merchants Chambers for the period 1999-2006 and handled Trade Fairs and Business Promotions, International Trade Missions and Policy issues having a direct impact on Business and Industry.

In the opinion of the Board, she fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Rules made thereunder along with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and is independent of the management and possesses appropriate skills, experience and knowledge that will enable her to discharge her duties, roles and function as an Independent Director.

This notice may be treated as information to the members about her candidature to the office of Directorship of the Company under section 160(2) of the Act read with Rule 13 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Her details as required under the Secretarial Standards – 2 issued by the Institute of the Company Secretaries of India and as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 are furnished below:-

Name of the Director	Dr. Vaijayanti Ajit Pandit
DIN	06742237
Brief resume	As mentioned above
Date of Birth	12.01.1953
Age	67 years
Nationality	Indian
Date of first appointment on the Board	30.03.2020
Qualifications	Ph. D in Management Studies
Experience	40 years
Expertise in specific functional area	As mentioned above
Terms and conditions of appointment	Terms of appointment are as per the provisions of the Companies Act, 2013
Remuneration sought to be paid	1. Sitting Fees for attending Board and Committee Meetings; 2. Commission

Remuneration last drawn	Nil		
Relationship with other Directors and Key Managerial Personnel of the Company	Does not hold any relationship with other Board of Directors and Key Managerial Personnel of the Company		
Number of meetings of the Board attended during the year	N.A.		
Number of shares held in the Company (as on March 31, 2020)	Nil		
List of Directorships held in other companies*	Banswara Syntex Ltd Automobile Corporation of Goa Limited I G Petrochemicals Limited Indo Count Industries Limited HPCL- Mittal Energy Limited Tata Marcopolo Motors Limited HPCL-Mittal Pipelines Limited TML Distribution Company Limited		
Chairman / Member in committees of Board of Companies in which he/she is a Director*	Automobile Corporation of Goa Limited	Corporate Social Responsibility Committee	Chairperson
		Stakeholder Relationship Committee	Member
	Banswara Syntex Limited	Corporate Social Responsibility Committee	Member
		Nomination and Remuneration Committee	Member
	IG Petrochemicals Limited	Corporate Social Responsibility Committee	Chairperson
		Audit Committee	Member
		Stakeholder Relationship Committee	Member
	TML Distribution Company Ltd	Corporate Social Responsibility Committee	Chairperson
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
	HPCL-Mittal Energy Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
	HPCL-Mittal Pipelines Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
	Indo Count Industries Limited	Corporate Social Responsibility Committee	Chairperson
		Stakeholder Relationship Committee	Chairperson
		Nomination and Remuneration Committee	Member

	Tata Marcopolo Motors Limited	Corporate Social Responsibility Committee	Member
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
Justification for appointment as Independent Director	Independent of the management and possesses appropriate skills, experience and knowledge		
*Directorships include directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not)			

The notice and terms and conditions of appointment of Dr. Pandit shall be available for inspection by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday up to the date of the Annual General Meeting.

Save and except Dr. Pandit, the appointee and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

The Board of Directors, hence, recommends the Resolution at Item No. 5 of the Notice for the approval of the members by way of Ordinary Resolution.

As regards Item No. 6:

Mrs. Uma Acharya was appointed as an Independent Director of the Company on May 26, 2015 for a term of 5 consecutive years to hold office upto May 25, 2020.

The Nomination and Remuneration Committee and Board of Directors, on basis of the report of performance evaluation, has recommended re-appointment of Mrs. Uma Acharya as an Independent Director for a second term of 5 consecutive years, on the board of the company.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Based on the background, experience and contributions made during her tenure, re-appointing her for second term would be beneficial to the Company, accordingly the Nomination and Remuneration Committee and the Board of Directors of the Company at their Meeting held on March 30, 2020 have recommended her re-appointment as an Independent Director for a second term of 5 consecutive years commencing from May 26, 2020.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received declaration from her confirming that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In opinion of the Board, she fulfills the conditions for re-appointment as Independent Director.

She is a Commerce Graduate and has done her L.L.M. from S.N.D.T. Women's University's School of Law. She is a legal professional with an experience of more than 12 years in the field of law with specialization in civil, property, securities market and arbitration laws. She is a member of the Bar Council of Maharashtra and Goa. She has worked with the National Stock Exchange of India Limited (NSEIL). Currently, she is a Senior Associate with M/s. Jayakar & Partners, Advocates and Solicitors.

The Board is of further opinion that she is independent of the management and possesses appropriate skills, experience and knowledge that will enable her to discharge his duties, roles and function as an Independent Director.

The Company has received notice from a member under Section 160 of the Act proposing her re-appointment as Director.

This notice may be treated as information to the members about her candidature to the office of Directorship of the Company under section 160(2) of the Act read with Rule 13 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Mrs. Acharya as required under the Secretarial Standards – 2 issued by the Institute of the Company Secretaries of India and as per regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished below:-

Name of the Director	Mrs. Uma Acharya		
DIN	07165976		
Brief resume	As mentioned above		
Date of first appointment on the Board of the Company	26.05.2015		
Date of Birth	14.09.1983		
Age	37 years		
Nationality	Indian		
Qualifications	L.L.M		
Experience	12 Years		
Expertise in specific functional area(s)	Legal Professional		
Terms and conditions of re-appointment	Terms of appointment are as per the provisions of the Companies Act, 2013		
Remuneration sought to be paid	1. Sitting Fees for attending Board and Committee Meetings; 2. Commission		
Remuneration last drawn	As mentioned in Corporate Governance Report		
Relationship with other Directors and Key Managerial Personnel of the Company	Does not hold any relationship with other Board of Directors and Key Managerial Personnel of the Company		
Number of meetings of the Board attended during the year	6		
Number of shares held in the Company (as on March 31, 2020)	Nil		
List of Directorships held in other companies*	Mysore Petro Chemicals Limited Calcutta Compressions & Liquefaction Engineering Ltd Next Gen Cylinder Private Limited		
Chairman / Member in committees of Board of Companies in which he/she is a Director*	Mysore Petro Chemicals Limited	Stakeholders Relationship Committee	Chairperson
		Corporate Social Responsibility Committee	Member
Justification for appointment as Independent Directors	Independent of the management and possesses appropriate skills, experience and knowledge		
*Directorships include directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not)			

The notice and terms and conditions of re-appointment of Mrs. Acharya shall be available for inspection by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday up to the date of the Annual General Meeting.

Save and except Mrs. Acharya, the appointee and her relatives, none of the other Directors, Key Managerial Personnel of the

Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6.

The Board of Directors, hence, recommends the Resolution at Item No. 6 of the Notice for the approval of the members by way of Special Resolution.

Important Communication to Members

Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs (vide Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011) has allowed companies to share documents with its shareholders through electronic mode as part of the green initiative in corporate governance.

To support this Green initiative in full measures, we hereby propose to send all communications/documents to the email address provided by you with your depository. We request you to update your email address with your depository participant to ensure that the communications/documents reach you on your preferred email address.

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the 41st Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2020.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2020 is summarized below:

(₹ in Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Continuing Operations				
Revenue from operations	48,954.63	45,249.14	76,051.51	70,208.59
Other income	527.49	649.05	668.49	532.93
Total Income	49,482.12	45,898.19	76,720.00	70,741.52
Profit before Finance Cost, Depreciation & Exceptional Items	7,625.12	8,484.23	9,500.93	10,425.13
Less:				
- Finance costs	2,628.33	2,614.07	3,585.52	3,561.78
- Depreciation and amortisation	2,288.41	1,311.97	4,334.30	3,028.75
Profit / (Loss) before exceptional items and tax	2,708.38	4,558.19	1,581.11	3,834.60
Exceptional items (net)	(112.48)	(504.82)	118.94	(1,207.59)
Profit before tax from continuing operations	2,595.90	4,053.37	1,700.05	2,627.01
Tax expense				
- Current tax	499.03	1,008.12	535.55	1,022.02
- Deferred tax	506.00	(5,707.31)	491.01	(5,707.31)
Profit after tax from continuing operations	1,590.87	8,752.56	673.49	7,312.30
Discontinued Operations				
Profit / (Loss) from discontinued operations before tax	-	-	(459.17)	(1,470.49)
Tax expense of discontinued operations	-	-	-	-
Profit / (Loss) from discontinued operations after tax	-	-	(459.17)	(1,470.49)
Profit / (Loss) after tax from total operations	1,590.87	8,752.56	214.32	5,841.81
Other comprehensive income				
(a) Items that will not be reclassified to profit and loss	17.67	(145.02)	(693.52)	(125.49)
(b) Tax (expense) / benefit on items that will not be reclassified to profit and loss	(3.95)	(35.51)	(3.95)	(35.51)
(a) Items that will be reclassified to profit and loss	-	-	2,639.28	1,692.82
(b) Tax expense / (benefit) on items that will be reclassified to profit and loss	-	-	-	-
Total other comprehensive income (net of tax)	13.72	(180.53)	1,941.81	1,531.82
Total Comprehensive Income	1,604.59	8,572.03	2,156.13	7,373.63
Net Profit for the period attributable to:				
- Equity shareholders of the Company	-	-	298.49	5,868.69
- Non controlling interests	-	-	(84.17)	(26.88)

(₹ in Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Comprehensive Income for the period attributable to:				
- Equity shareholders of the Company	-	-	2,240.30	7,400.51
- Non controlling interests	-	-	(84.17)	(26.88)
Retained Earnings: Balance brought forward from the previous year	(9,556.54)	(18,297.36)	15,962.02	10,085.54
Transitional adjustment on adoption of ind AS 116, 'Leases' (net on tax)	(124.97)	-	(164.76)	-
Net profit for the year	1,590.87	8,752.56	298.49	5,868.69
Other Comprehensive Income	13.72	(180.53)	1,941.81	1,531.82
Adjustments to OCI for Foreign Currency Translation	-	-	(2,639.28)	(1,692.82)
Adjustments to OCI for FVOCI Equity	(15.03)	168.79	(15.03)	168.79
Retained Earnings carried forward	(8,091.95)	(9,556.54)	15,383.25	15,962.02
Earnings per share (not annualised) (in ₹):				
Basic & diluted earnings per share of ₹ 2.00 each				
(i) Continuing operations	1.42	7.80	0.67	6.54
(ii) Discontinuing operations	-	-	(0.41)	(1.31)
(iii) Total operations	1.42	7.80	0.26	5.23

PERFORMANCE REVIEW

FY20 was another significant milestone for EKC, we continued to make steady business progress in the backdrop of weak economic conditions that impacted overall industrial activity. During the year, our domestic business grew its revenues by utilizing existing facilities while maintaining tight control over operating costs - leading to operating efficiencies and strong cash flow generation, which was used to pay down debt further. As volumes grow on the basis of our close alignment with emerging demand areas, there is greater value addition across our customer relationships leading to steady to expanding margins.

We see strong traction in our business over the next several years as the CNG ecosystem expands nationwide based on time bound commitments made by private players in line with the government mandate. Being a well-established player in this segment over the last four decades with the largest market share in high-pressure gas cylinders, we look forward to our growing contribution as CNG adoption develops in the country. In addition, gas usage continues to see secular growth across a range of industrial applications, which should bring further traction to business volumes.

Following the unfortunate spread of the Covid-19 pandemic, there is rising demand for medical oxygen supplies. EKC, with a strong track record of supplying safe, contamination-free cylinders built for oxygen and other gases used by medical establishments, is well-positioned to cater to this demand from hospitals and other ancillary medical infrastructure created for the treatment of Covid-19 related cases. Our manufacturing facilities have fungible production capabilities and we have garnered strong revenue contribution from this sector over the last few months. At a

strategic level, higher spending on healthcare should bring strong demand over the next few years.

We also look forward to higher revenue contribution from our overseas businesses. In our UAE operations, we see growing demand for the transportation of natural gas used in industrial production. We are also exploring opportunities in some countries in Europe, Africa and South America, where gas is being used increasingly for transportation and industrial production. In the U.S., we are focused on navy, aerospace and industrial gas, apart from pursuing new technology development in composite carbon cylinders. In this market, we see demand picking up this year following the re-validation of our manufacturing facilities.

Going forward, we see structural demand from the adoption of gas-based fuels in industry, medical equipment, F&B, automotive and other sectors based on both economic and environmental considerations. We currently operate production facilities in India, UAE and USA with diversified capabilities, and have the resource base ready to expand capacity by incurring marginal capital expenditure. Overall, we look forward to leveraging our established strengths to deliver significant value for all stakeholders.

On standalone basis, for the financial year 2019-2020, revenue from operations stood at ₹ 48,954.63 Lakhs against the previous year's revenues of ₹ 45,249.14 Lakhs. Net Profit after tax stood at ₹ 1,590.87 Lakhs as against ₹ 8,752.56 Lakhs.

On consolidated basis, the Company sold 680,598 units as compared to 687,159 units in the previous financial year. Revenues for financial year 2019-2020 stood at ₹ 76,051.51 Lakhs against the previous year's revenues of ₹ 70,208.59 Lakhs.

Your company has achieved a Net Profit After Tax of Rs. 673.49 lakhs in financial year 2019-20 as against ₹ 7,312.30 lakhs in financial year 2018-19 which included an amount of ₹ 5,707.31 lakhs in respect to deferred tax asset credit.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129 of Companies Act, 2013 and the IND AS-27 on Consolidated and Separate Financial Statements, the Audited Consolidated Financial Statements are provided in the Annual Report. As a significant part of the Company's business is conducted through its subsidiaries, the Directors believe that the consolidated accounts provide a more accurate representation of the performance of the Company.

DIVIDEND

The Directors have not proposed any dividend for the financial year 2019- 2020 to preserve reserves at large for betterment of the Company.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to reserves.

DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013

The Company has not accepted any Deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans given, guarantees provided and investments made have been duly disclosed in the financial statements.

SHARE CAPITAL STRUCTURE

The Paid Up Share Capital of the Company is ₹ 22.44 Crore divided into 11,22,07,682 Equity Shares of ₹ 2/- each.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;

On July 11, 2020, the Company

- (i) Acquired additional 27.35% of equity share capital of Calcutta Compressions & Liquefaction Engineering Ltd, thereby making it wholly owned subsidiary Company and
- (ii) Transferred 72.65% of equity share capital of EKC Positron Gas Ltd, thereby it ceases to be subsidiary Company.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has adequate internal financial control system commensurate with the size, scale and complexity of its

operations. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigation action on continuing basis. These are routinely tested and certified by Statutory as well as Internal Auditors. The audit observations on internal financial controls are periodically reported to the Audit Committee.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No such orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

DETAILS OF FRAUD REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder.

DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED

The company, in accordance with section 148(1) has maintained cost records as specified by the Central Government.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2019-2020, as stipulated under Regulation 34(2)(e) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI LODR"), is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining the highest standards of Corporate Governance and places high emphasis on business ethics. Pursuant to the SEBI LODR, the Report on Corporate Governance and the Certificate from a practicing Company Secretary on the Report as stipulated, forms part of the Annual Report.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Risk Management Policy enables for growth of company by helping its business to identify risks, assess, evaluate and monitor risks continuously and undertake effective steps to manage these risks.

CREDIT RATING FROM CARE RATINGS

During the year, in respect of the borrowings of the Company, CARE Ratings has maintained the Long Term and Short Term ratings, as under:

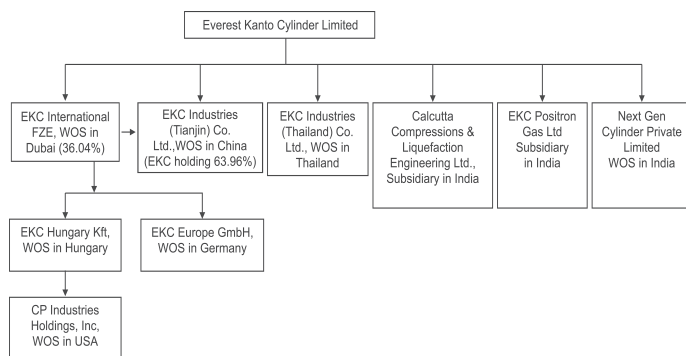
Sr. No.	Facility	Amount (₹ in Crore)	Rating	Remarks
1	Long Term Fund based bank facilities (Yes Bank Term Loan)	37.67	CARE BB+, Stable (Double B Plus; Outlook: Stable)	Rating Reaffirmed; (Outlook revised to stable from positive)
2	Long Term Fund based bank facilities (Cash Credit)	91.00	CARE BB+, Stable (Double B Plus; Outlook: Stable)	Rating Reaffirmed; (Outlook revised to stable from positive)
3	Short Term bank facilities (Non Fund Based)	54.92	CARE A4+ [A Four Plus]	Reaffirmed
	Total	183.59		

SUBSIDIARIES

As on March 31, 2020, the Company has (a) two wholly owned overseas subsidiary companies, viz., EKC International FZE in Dubai, UAE and EKC Industries (Thailand) Co. Ltd. in Thailand, (b) four step down wholly owned overseas subsidiary companies, viz. EKC Hungary Kft in Hungary, CP Industries Holdings, Inc. in USA, EKC Europe GmbH in Germany and EKC Industries (Tianjin) Co. Ltd. in China (c) Two Indian subsidiary Companies viz., Calcutta Compressions & Liquefaction Engineering Ltd., and EKC Positron Gas Ltd. and one wholly owned Indian subsidiary Company, viz., Next Gen Cylinder Private Limited.

Kamal EKC industries Ltd, a Joint Venture Company in Tanzania ceased to continue its business w.e.f August 23, 2019.

The Current Corporate Structure is as under:



A statement providing details of performance and salient features of the financial statements of Subsidiary/ Associate/ Joint Venture companies, as per Section 129(3) of the Act, is provided as Form AOC I after the standalone financial statements and therefore not repeated here.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is put up on the Company's website and can be accessed at <http://www.everestkanto.com/investors/annualreports>. The financial statements of the subsidiaries, as required, are put up on the Company's website and can be accessed at <http://www.everestkanto.com/subsidiaries>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs) RETIREMENT BY ROTATION

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Pushkar Khurana (DIN 00040489) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

APPOINTMENT AND CESSATION OF DIRECTORS AND KMP

During the year Dr. Vaijayanti Pandit (DIN: 06742237) was appointed as Additional Director in Independent Category on March 30, 2020 subject to the approval of the shareholders at ensuing AGM.

Mrs. Uma Acharya (DIN: 07165976) has completed first term of five years as an Independent Director of the Company on May 25, 2020. She was further re-appointed as an Independent Director of the Company, for a second term of 5 years from May 26, 2020 subject to the approval of the shareholders at ensuing AGM.

With deep regret, we report the sad demise of Mr. P. K. Khurana, Promoter, Executive Chairman and Managing Director of the Company on October 11, 2019. He was a pioneer and since inception, with his dynamic leadership, has played a pivotal role in making the company truly global. His management skills along with his far sighted vision has helped the company steer through various stages in the business during his tenure and has led to exceptional progress of the company all throughout. Your Directors place on record their highest gratitude and appreciation for his guidance and encouragement to the board during his tenure.

On November 14, 2019, the Board of Directors designated Mr. Pushkar Khurana as Promoter, Executive Chairman and Mr. Puneet Khurana resigned as the Chief Executive Officer of the Company. He was appointed as the Managing Director of the Company, subject to approval of Members in the ensuing Annual General Meeting.

Mr. Mohan Jayakar resigned as Non-Executive Independent Director w.e.f. April 16, 2019.

To remove technical glitch, Mr. M. N. Sudhindra Rao resigned as an Independent Director and was re-appointed as an Additional Director in Independent category w.e.f. June 03, 2019 for the second term.

The brief resume / details regarding the Directors proposed to be appointed / re-appointed as above are furnished in the Notice of 41st Annual General Meeting.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Directors of the company under Section 149(7) of the Companies Act, 2013 confirming that they fulfill criteria for independence as laid under Section 149(6) of the Act and Regulation 25 of the SEBI LODR and there has been no change in the circumstances which may affect their status as an independent director during the year.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

In the opinion of the board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute.

NUMBER OF BOARD MEETINGS DURING THE YEAR

During the year, six meetings of the Board of Directors were held; details of the same have been mentioned in Corporate Governance Report.

AUDIT COMMITTEE

The details pertaining to composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Regulation 19 of the SEBI LODR, the Company has constituted Nomination and Remuneration Committee and has formulated "Nomination and Remuneration Policy" containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of Companies Act, 2013 for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy is attached as **Annexure I** to this report and is available on the Company's website and the web link thereto is <http://www.everestkanto.com/policies.html>.

The details pertaining to composition of the Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of section 135 of Companies Act, 2013, the Company's CSR Committee was reconstituted on November 14, 2019 and August 25, 2020, upon demise of Mr. P. K. Khurana and appointment of Dr. Vaijayanti Pandit. The existing committee constitutes of Mrs. Uma Acharya (Chairman), Dr. Vaijayanti Pandit, Mr. Pushkar Khurana and Mr. Puneet Khurana.

The Company's CSR Policy provides guidelines to conduct CSR activities of the Company, which can be accessed at the Company's website at <http://www.everestkanto.com/policies.html>.

The CSR Report for the financial year 2019-20 forms part of the Board's Report and is annexed as **Annexure II** to this report.

VIGIL MECHANISM

The Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act and SEBI LODR. The details of the same have been stated in the Report on Corporate Governance. The said Policy is attached as **Annexure III** and is available on the website of the Company <http://www.everestkanto.com/policies.html>.

TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by the Company during the financial year under review with related parties were on arms length basis and in the ordinary course of business and hence not falling under the ambit of Section 188 of the Companies Act, 2013.

No Related Party Transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions / contracts / arrangements as defined under regulation 23 of the SEBI LODR, there are no details to be disclosed in Form AOC-2 (**Annexure IV**) in that regard.

All related party transactions are mentioned in the notes to accounts which sets out related party disclosures.

During the year 2019-2020, pursuant to section 177 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval. Prior omnibus approval of Audit Committee was obtained for the transactions which were of a repetitive nature.

The Policy on Related Party Transactions framed under the SEBI LODR is available on Company's website and web link thereto is <http://www.everestkanto.com/policies.html>.

ANNUAL EVALUATION

The Nomination and Remuneration Committee (NRC) has approved a framework / policy for performance evaluation of the Board, Committees of the Board and the individual members of the Board (including the Chairperson) which includes criteria for performance evaluation, which is reviewed annually by the Committee. A questionnaire for the evaluation of the Board, its Committees and the individual members of the Board (including the Chairperson), designed in accordance with the said framework and covering various aspects of the performance of the Board and its Committees, including composition and quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in Corporate Governance as mentioned in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 was circulated to the Directors.

Pursuant to the provisions of the Act and SEBI LODR and based on policy devised by committee, the board has carried out annual evaluation of its own performance, its committees and individual directors. The board performance was evaluated on inputs received from all the Directors after considering criteria as mentioned aforesaid.

The performance of the committees was evaluated by the Board of Directors on inputs received from all committee members after considering criteria as mentioned aforesaid.

Pursuant to SEBI LODR, performance evaluation of independent director was done by the entire board, excluding the independent director being evaluated.

The performance evaluation of non-independent directors and the board as a whole and Chairman of the Board was also carried out by the Independent Directors of the Company through separate meeting on February 10, 2020.

SECRETARIAL STANDARDS

The Directors declared that applicable Secretarial Standards i.e. SS1 and SS2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly followed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub section 3 and 5 of the Section 134 of the Companies Act, 2013, your Company's Directors, based on the representations received from the Management, confirm that:

- i) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material deviations;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2020 and of the profit and loss of the company for the period ended on that date;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

a) STATUTORY AUDITORS

In accordance with the provisions of Section 139(2) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 39th Annual General Meeting held on September 29, 2018 had appointed M/s. Walker Chandio & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for another term of five years to hold office from the conclusion of the said Annual General Meeting. There is no qualification, reservation or adverse remark made by them.

b) BRANCH AUDITORS

The Board of Directors of the Company at their Meeting held on February 12, 2019 re-appointed M/s. Arun Arora & Co., Chartered Accountants as Branch Auditors of the Company for financial year 2019-20. The Company has received a letter from M/s. Arun Arora & Co. to the effect that their re- appointment, if made, for the financial year 2019-20, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act. There is no qualification, reservation or adverse remark made by them.

c) COST AUDITORS

The Board of Directors has appointed Mr. Vinayak B. Kulkarni, Cost Accountant, (Membership No. 28559) as the Cost Auditor under section 148 of the Companies Act, 2013, for conducting audit of cost records for the financial year 2019-2020. The Cost Auditor will submit his Report to the Board for its review and examination, which will then be filed with the Central Government within the prescribed time. There is no qualification, reservation or adverse remark made by him.

On the recommendation of the Audit Committee, the Board of Directors has appointed Mr. Vinayak B. Kulkarni, Cost Accountant, as the Cost Auditor of the Company for the financial year 2019-20 on a remuneration of ₹ 2,50,000/-

recommended by the Audit Committee and as required under the Act, the remuneration was ratified by the members at the Annual General Meeting held on September 30, 2019.

d) SECRETARIAL AUDITORS

The Board of Directors has re-appointed M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, having membership no. 19639, as the Secretarial Auditors under section 204 of the Companies Act, 2013, for conducting Secretarial Audit for the financial year 2019-20. The Report of the Secretarial Auditor forms part of this Report as **Annexure V**.

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by Securities and Exchange Board of India (SEBI), the Company has obtained Secretarial Compliance Report from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries and the same is submitted to the Stock Exchange within the prescribed due date.

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013, are provided in **Annexure VI** to this Report.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual return has been placed on the website of the Company and can be accessed at <https://everestkanto.com/investors/financial-disclosure-and-information-under-corporate-loss/>

EXTRACT OF ANNUAL RETURN

As per provisions of the Act, details forming part of the Extract of the Annual Return of the Company in the prescribed Form MGT-9 is attached to the Report as **Annexure VII**. The same is available on <http://www.everestkanto.com/investors.html>.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, a statement showing the names of top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 as amended forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company and other entitled to. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company upto the date of AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(a) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20:

Name of the Directors	Designation	Remuneration of Directors	Median Remuneration of Employees (₹)	Ratio of median remuneration
Mr. P.K. Khurana*	Chairman & Managing Director	71,69,794	2,71,703	26.39
Mr. Pushkar Khurana	Executive Chairman	Nil	2,71,703	Nil
Mr. Puneet Khurana	Managing Director	82,23,044	2,71,703	30.26
Mr. Mohan Jayakar*	Independent Director	Nil	2,71,703	Nil
Mr. M. N. Sudhindra Rao*	Independent Director	2,85,000	2,71,703	1.05
Mrs. Uma Acharya*	Independent Director	3,90,000	2,71,703	1.44
Mr. Ghanshyam Karkera*	Independent Director	3,75,000	2,71,703	1.38
Dr. Vijayanti Pandit #	Independent Director	Nil	2,71,703	Nil

* Remuneration to Directors during the financial year comprises of commission and sitting fees for attending the meetings of Board of Directors and of the Committees thereof.

Commission of ₹ 5 lakh paid to the Independent Directors has not been considered for calculation of Ratios.

Appointed as an Additional Director – Independent category w.e.f. March 30, 2020.

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20:

Name of the Directors	Designation	% increase in remuneration in financial year
Mr. P.K. Khurana	Chairman & Managing Director	0.00%
Mr. Pushkar Khurana	Executive Chairman	N.A.
Mr. Puneet Khurana	Managing Director	0.00%
Mr. Puneet Khurana	Chief Executive Officer	0.00%
Mr. Mohan Jayakar	Independent Director	N.A.
Mr. M. N. Sudhindra Rao	Independent Director	31.25%
Mrs. Uma Acharya	Independent Director	31.25%
Mr. Ghanshyam Karkera	Independent Director	31.25%
Dr. Vaijayanti Pandit #	Independent Director	N.A.
Mr. Sanjiv Kapur	Chief Financial Officer	0.00%
Ms. Bhagyashree Kanekar	Company Secretary	16.00%

Dr. Vaijayanti Pandit was appointed as an Additional Director category Independent w.e.f. March 30, 2020

(c) Percentage increase in the median remuneration of employees in the financial year 2019-20: 6.93%

(d) Number of permanent employees on the rolls of Company: 561

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2019-20 is 6.36% whereas the percentile increase in the managerial remuneration during the year is 4.46%.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms remuneration is as per the remuneration policy of the Company.

(g) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

(h) Name of top 10 employee of Company, who were employed for part of year, was in receipt of remuneration for that period which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month :

- Name of employee of Company, who employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or wholetime director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.
- If the employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The details are mentioned in the table no. (i) Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board – N.A.

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month

Name of the Employee	Designation of the employee	Remuneration received (Rs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)*	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Puneet Khurana*	Chief Executive Officer	144,24,921	Full Time	B.Com, MBA International Business	10.02.2017	46	N.A.	7.31%	Mr. P. K. Khurana; Mr. Pushkar Khurana

** Chief Executive Officer upto November 13, 2019 and thereafter appointed as Managing Director.

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (ii) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees

Name of the Employee	Designation of the employee	Remuneration received (Rs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)*	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. P. K. Khurana*	Chairman and Managing Director	71,69,794	Full Time	B. Com and Law Graduate	01.08.1978	-	N.A.	10.89%	Mr. Pushkar Khurana; Mr. Puneet Khurana
Mr. Puneet Khurana**	Managing Director	82,23,044	Full Time	B.Com, MBA International Business	14.11.2019	46	N.A.	7.31%	Mr. P. K. Khurana; Mr. Pushkar Khurana

* Upto October 11, 2019.

** Chief Executive Officer upto November 13, 2019 and thereafter appointed as Managing Director.

LISTING OF SECURITIES

The Equity shares of the Company are listed on the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)

The Company is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other. The said policy is available on the Company's website and the web link thereto is <http://www.everestkanto.com/policies.html>. The said policy is attached as **Annexure VIII** to the report.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints pending as on the beginning of the financial year – Nil

Number of complaints filed during the financial year- Nil

Number of complaints pending at the end of the financial year- Nil

ACKNOWLEDGEMENT AND APPRECIATION

The Board of Directors express their appreciation for the assistance, support and co-operation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company globally.

For and on behalf of the Board

Mr. Puneet Khurana
Managing Director
DIN: 00004074

Board report and any annexures is required to be signed by its chairperson of the company if he is authorised by the Board and where he is not so authorised, shall be signed by at least two directors, one of whom shall be a managing director, or by the director where there is one director.

Place: Mumbai

Date: August 25, 2020

Annexure I: NOMINATION, REMUNERATION AND EVALUATION POLICY

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Everest Kanto Cylinder Limited (the "Company").

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement.

1. DEFINITIONS

"Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means -

- (i) Chairman & Managing Director;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other Officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management Personnel" (SMP) means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

The terms used in this Policy but not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013.

2. PURPOSE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

3. ACCOUNTABILITIES

- (i) The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

- (ii) The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- (ii) identifying individuals suitably qualified to be appointed as the KMPs or in the Senior Management of the Company;
- (iii) recommending to the Board on the selection of individuals nominated for directorship;
- (iv) making recommendations to the board on the remuneration payable to the Director/ KMPs / SMPs so appointed / reappointed;
- (v) assessing the independence of independent directors;
- (vi) such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder;
- (vii) making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- (viii) ensuring that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (ix) devising a policy on Board diversity;
- (x) developing a succession plan for the Board and to regularly review the plan.

5. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

- (i) The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
- (ii) Minimum two (2) members shall constitute a quorum for the Committee meeting. (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) The Company Secretary of the Company shall act as Secretary of the Committee.

6. CHAIRMAN

- (i) The Chairman of the Committee shall be an Independent Director.
- (ii) The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (iv) The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF THE MEETINGS OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS

- (i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (ii) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. VOTING

- (i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be a decision of the Committee.
- (ii) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. MINUTES OF THE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

11. APPLICABILITY

This Policy is applicable to:

- (i) Directors (Executive, Non-Executive and Independent)
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel
- (iv) Other employees as may be decided by the Nomination and Remuneration Committee

12. CRITERIA FOR APPOINTMENT OF DIRECTORS/KMPs/ SENIOR MANAGEMENT PERSONNEL

- (i) Enhancing the competencies of the Board and attracting as well as retaining talented employees

for role of KMPs are the basis for the Nomination and Remuneration Committee to nominate a candidate for appointment by the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee shall have regard to:

- (a) assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- (b) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- (c) the skills and experience that the appointee brings to the role of KMP/SMP and how an appointee will enhance the skill sets and experience of the Board as a whole;
- (d) the nature of existing positions held by the appointee including directorships or other relationships and
- (e) the impact they may have on the appointee's ability to exercise independent judgment.

(ii) **Personal Specifications:**

- (a) Degree holder in relevant disciplines;
- (b) Experience of management in a diverse organization;
- (c) Excellent interpersonal, communication and representational skills;
- (d) Demonstrable leadership skills;
- (e) Commitment to high standards of ethics, personal integrity and probity;
- (f) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- (g) Having continuous professional development to refresh knowledge and skills.

Details of the personal specifications are provided in the **Annexure** hereto.

13. LETTERS OF APPOINTMENT

Each Director/KMP/SMP is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned to him in the Company.

14. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

(A) General

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs and other SMPs. The salary of Directors, Key Management Personnel and other Senior Management Personnel shall be based &

determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination & Remuneration Committee shall determine individual remuneration packages for Directors, KMPs and SMPs of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee shall consult with the Chairman of the Board as it deems appropriate.

The remuneration/ compensation/ commission etc. to Directors and KMPs determined by the Committee will be recommended to the Board for its approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

Increments to the existing remuneration/ compensation structure of Directors and KMPs shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.

Where any insurance is taken by the Company on behalf of its Directors, KMPs and SMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(B) Provisions Under Companies Act, 2013 In Respect Of Directors

- (i) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- (ii) The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director (including its Manager, if any) in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed as per the manner prescribed under the Act.
- (iii) The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act.
- (iv) The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to any one Managing Director/Whole Time Director/ Manager and ten percent in case of more than one such official.
- (v) The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other case.

- (vi) If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- (vii) The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- (viii) The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

(C) Remuneration Composition

(i) Remuneration to Executive Directors and KMPs

Fixed Pay:

- (a) Executive Directors and KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- (b) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable Components:

The Executive Directors and KMPs may participate in a performance linked variable pay scheme which will be based on the individual and company performance for the year, pursuant to which the Executive Directors and KMPs are entitled to performance-based variable remuneration.

(ii) Remuneration to Directors other than Executive Directors:

Sitting Fees:

- (a) The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.
- (b) Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Commission:

The Non- Executive / Independent Directors may receive Commission on yearly basis as per the Policy of the

Company with regards to the profits achieved by the Company during the year and within the limits prescribed under Companies Act, 2013.

(iii) Remuneration to Senior Management Personnel:

- (a) The Nomination and Remuneration Committee may determine from time to time the remuneration payable to Senior Management Personnel including the increments payable as per the Policy.
- (b) The authority of such determination of remuneration of the SMPs may be delegated to the Managing Director by the Nomination and Remuneration Committee as the Committee deems fit in this regard.
- (c) The Managing Director shall from time to time intimate the Nomination and Remuneration Committee the remuneration payable to the Senior Management Personnel in case of delegation of authority to him by the Nomination and Remuneration Committee.

Fixed Pay:

- (a) Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Nomination and Remuneration Committee. However, in case of Manager as defined under Companies Act, 2013, the remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force.
- (b) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Nomination and Remuneration Committee.

Variable Components:

The Senior Management Personnel may participate in a performance linked variable pay scheme which will be based on the individual and Company performance for the year, pursuant to which the Senior Management Personnel are entitled to performance-based variable remuneration.

15. CRITERIA FOR EVALUATION OF DIRECTORS/ KMPs/ SMPs OF THE COMPANY

- (i) The evaluation of the Directors, KMPs and the SMPs of the Company shall be conducted on an annual basis which shall further satisfy the requirements of the Listing Agreement.
- (ii) The following criteria may be considered in determining how effective the performances of the Directors/ KMPs / SMPs have been:
 - (a) leadership & stewardship abilities
 - (b) contributing to clearly define corporate objectives & plans
 - (c) communication of expectations & concerns clearly with subordinates
 - (d) obtain adequate, relevant & timely information from external sources.
 - (e) review & approval achievement of strategic and operational plans, objectives, budgets

- (f) regular monitoring of corporate results against projections
- (g) identify, monitor & mitigate significant corporate risks
- (h) assess policies, structures & procedures (i) direct, monitor & evaluate KMPs, SMPs (j) review management's succession plan (k) effective meetings
- (l) assuring appropriate board size, composition, independence, structure
- (m) clearly defining roles & monitoring activities of committees
- (n) review of corporation's ethical conduct
- (iii) Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.
- (iv) The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

16. TERM OF APPOINTMENT AND LIMITS ON NUMBER OF DIRECTORSHIPS

(i) Managing Director or Whole – Time Directors

The Company shall appoint or re-appoint any person as its Managing Director / Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

(ii) Independent Directors

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- (c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- (d) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

For reckoning the limit of public companies in which a person can be appointed as Director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

- (e) The appointment shall be subject to the other applicable provisions of Companies Act, 2013.

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes, seminars and plant visits.

18. REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

19. RETIREMENT

The Directors & KMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company, while SMPs shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs, SMPs in the same position / remuneration or otherwise even after attaining the retirement age, in the best interest and benefit of the Company.

20. DISCLOSURES

The Company shall disclose the Policy on Nomination and Remuneration in the Board Report.

21. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes. However, the deviations made in the Policy shall not be in contradiction to the Companies Act, 2013, the Listing Agreement and any other laws or rules applicable thereto amended from time to time.

22. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

23. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure -

Personal Specification for Directors

1. Qualification
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
2. Experience
 - Experience of management in a diverse organisation
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
3. Skills
 - Excellent interpersonal, communication and representational skills
 - Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
4. Abilities and Attributes
 - Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
5. Political inclinations and opinions.

ANNEXURE II: CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Corporate Social Responsibility Policy ("the CSR Policy") has been framed by Everest Kanto Cylinder Limited ("the Company") in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs and shall be effective from April 01, 2019.

Unless the context otherwise requires, the definitions mentioned in the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs shall apply to this CSR Policy.

Company Philosophy for CSR Policy:

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash board of the Indian Companies.

Everest Kanto Cylinder Limited is positive and appreciates the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/Reformative approach towards the Society to which the Corporate belongs. By introducing a separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach. The management of the Everest Kanto Cylinder Limited expresses its willingness and extends support to the CSR concept, its legal framework and shall be abided to it.

Corporate Social Responsibility Committee:

The Company has constituted Corporate Social Responsibility Committee ("the Committee") comprising of following three Directors out of which one Director is an Independent Director:

1. Mrs. Uma Acharya - Independent Director - Chairman
2. Dr. Vijayanti Pandit - Independent Director - Member (w.e.f. August 25, 2020)
3. Mr. Puneet Khurana - Managing Director - Member (w.e.f. November 14, 2020)
4. Mr. Pushkar Khurana - Chairman, Executive Director - Member

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

CSR Activities:

Pursuant to Schedule VII of the Companies Act, 2013, the Committee has approved the following activities as "CSR Activities" to be undertaken under the CSR policy of the Company. The Board of Directors has reviewed the said activities and expressed their consent to the Committee to pursue the said activities under CSR policy of the Company under section 135 of the Companies Act, 2013, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

Approved CSR Activities relating to:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation (including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for

senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;
- (x) Rural development projects;
- (xi) Slum area development.

Budget for CSR Activity & CSR Expenses:

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for their approval. The Board shall approve the total funds to be utilized for CSR activity for respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

Identification of activities /projects:

Out of the approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyze the basic need of the community/ area in which the organization operates or the place where its registered office is situated. The Committee shall record its findings and prioritize the CSR activities.

Implementation process:

After prioritizing the activity, the Committee shall finalize in detail the implementation of the project/programme, including planning for expenses against the total budget allocated for CSR activities.

Organizational Responsibility:

At organizational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorize any of the department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

Monitoring by the Board:

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

Compliance and Reporting to Board:

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from quarterly reporting to the Board about the implementation of CSR activity, a detailed report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, result achieved, further work to do in the concerned CSR activity, recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration. Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Company.

Management Commitment:

Our Board of Directors, Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

Amendments to the Policy:

The Board of Directors on its own and/or on the recommendation of CSR Committee, can amend its Policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20
1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Everest Kanto Cylinder Limited (the Company) positively appreciates the decision taken by the Government of India with respect to Corporate Social Responsibility towards the Society at large. Legal framework of CSR is an edge to Corporate Charitable / Reformative approach towards the Society to which the Corporate belongs. As per the said policy, all our efforts are focused towards two goals: to be a responsible and dynamic enterprise towards the well-being of society and create a value worthwhile for all the stakeholders of our Company. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drives all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our

investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link <https://everestkanto.com/investors/policies/>

2. The Composition of the CSR Committee is as follows:

Mrs. Uma Acharya, Chairman (Independent Director)
Dr. Vijayanti Pandit (Independent Director; Member w.e.f. August 25, 2020)
Mr. Pushkar Khurana, Member
Mr. Puneet Khurana, Member

3. Average net profit of the Company for last three financial years:

Average net profit: Rs. 628.00 Lakhs.

4. Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above):

The Company is required to spend Rs. 12.56 Lakhs towards CSR activities.

5. Details of CSR spent during the financial year:

- Total amount spent for the financial year: Rs. 15.69 Lakhs.
- Amount unspent, if any: Nil.
- Manner in which the amount spent during the financial year is detailed below:

1. Sr. No.	2. CSR Projects or activity identified.	3. Sector in which the project is covered.	4. Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	5. Amount Outlay (budget) Project or Programs wise. (Rs.)	6. Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs/ Overheads (Rs.)	7. Cumulative Expenditure upto the reporting period (Rs.)	8. Amount spent: Direct or through implementing agency*
1	Development of Infrastructure in Schools and colleges; Payment of School Fees for under privileged students	Education	Tarapur, State: Maharashtra	15,69,000.00	15,69,000.00	15,69,000.00	Khurana Charitable Trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

Puneet Khurana
Managing Director

Uma Acharya
Chairman, CSR Committee

August 25, 2020

ANNEXURE III: VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, Everest Kanto Cylinder Limited, (EKCL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

DEFINITIONS

"Protected Disclosure" means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"Vigilance Officer/Vigilance Committee or Committee" is a person or Committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

"Whistle Blower" is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

SCOPE

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/suspected to take place involving:

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/proprietary information
9. Gross Wastage/misappropriation of Company funds/assets

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”.

If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer/Chairman of the Audit Committee are as under:-

Name and Address –

Ms. Bhagyashree Kanekar

Company Secretary & Compliance Officer

Everest Kanto Cylinder Limited, 204, Raheja Centre, 214,
Free Press Journal Marg,
Nariman Point, Mumbai - 400021

Mr. Ghanshyam Karkera

Chairman, Audit Committee

Everest Kanto Cylinder Limited, 204, Raheja Centre, 214,
Free Press Journal Marg,
Nariman Point, Mumbai - 400021

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.

ANNEXURE IV: PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
2. Details of material contracts or arrangement or transactions* at arm's length basis: **Nil**

** Material Related Party Transaction means a transaction with a Related Party entered into individually or with previous transactions during a financial year which exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.*

For and on behalf of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074

ANNEXURE V: SECRETARIAL AUDIT REPORT**Secretarial Audit Report**

For the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Everest Kanto Cylinder Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everest Kanto Cylinder Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on the verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) a. Overseas Direct Investment;
- b. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, and External Commercial Borrowings – Not Applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

except for trading in equity shares by designated persons during trading window closure period, accordingly the Company has issued warning and impose penalty.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client - Not applicable;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 -Not applicable.

Based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 except for delay in submission of financial results for the quarter ended 30th June, 2019 to stock exchange(s) in accordance with Regulation 33 of the aforesaid regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc. mentioned above.

On account of pandemic "COVID 2019" and nation wide lockdown imposed by governments, the audit process has been modified, where in certain documents, records etc. were verified in electronic mode, and have relied on the representations received from the company for its accuracy and authenticity.

I further report, I have relied on necessary disclosure(s) from Directors / KMPs and on confirmation received from the Company, about no specific applicable laws to the industry where

Company operates, however general compliance system prevails in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with them.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance including shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

Based on the representation made by the Company and relied upon, I further report that there are adequate systems and processes in the company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

1. Re-constitution of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee;
2. Resignation of Mr. Mohan Jayakar as Independent Director;
3. Payment of sitting fees to Non-Executive Directors;
4. Appointment of Mr. Ghanshyam Karkera. Independent director on the board of EKC International FZE, Dubai, Unlisted Material Subsidiary in accordance with Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
5. Payment of Commission to Directors;
6. Demise of Mr. Premkumar Khurana (Chairman and Managing Director);
7. Appointment of Mr. Pushkar Khurana as Executive Chairman of the Board and Company;
8. Resignation of Mr. Puneet Khurana as Chief Executive Officer and consecutively as Key Managerial Personnel;
9. Appointment of Mr. Puneet Khurana as an Additional Director and Managing Director;

10. Approval of Board for Closure of Next Gen Cylinder Private Limited, wholly owned subsidiary;
11. Re-appointment of Mrs. Uma Acharya for second term of 5 years;
12. Appointment of Dr. Vijayanti Pandit as an Additional Director in Independent category.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023
UDIN: A019639B000611441

Place: Mumbai
Date: August 25, 2020

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,
The Members,
Everest Kanto Cylinder Limited

My report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023
UDIN: A019639B000611441

Place: Mumbai
Date: August 25, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Everest Kanto Cylinder Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Kanto Cylinder Limited (hereinafter referred to as 'the Company') having CIN: L29200MH1978PLC020434 and having registered office at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai – 400021, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Pushkar Khurana	00040489	12.09.1994
2.	Mr. Puneet Khurana	00004074	14.11.2019
3.	Mr. M. N. Sudhindra Rao	01820347	11.08.2015
4.	Mrs. Uma Acharya	07165976	26.05.2015
5.	Mr. Ghanshyam Karkera	00001829	30.10.2018
6.	Dr. Vijayanti Ajit Pandit	06742237	30.03.2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023

Place: Mumbai
Date: August 25, 2020

UDIN: A019639B000611428

ANNEXURE VI: CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO
Conservation of Energy:

Information pursuant to section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption:

I. Conservation of Energy:

The company considers it as a responsibility to reduce its carbon footprint in all possible areas of operations. As a responsible corporate citizen, the Company is taking all possible measures to achieve efficiency in energy utilization, water utilization, technology induction at all the plants, such as:

- Efficiency in the use of electrical energy by installing power efficient equipment and lighting at all the plants/offices even covering the street lights in the factory premises. Reducing dependence on electrical lighting by modifying existing roofing. At Tarapur Plant, the company has progressively switched over to LED lights in place of sodium vapour lamps on the plant sheds. In addition to power saving, there are indirect benefits of higher and uniform light intensity across the whole shop floor which ultimately results in boost of employee morale and accuracy at critical locations.
- The Company has shifted to use of Natural Gas in place of LPG at Tarapur Plant leading to following benefits:
 - Better space utilization and avoidance of fire hazards.
 - Reduction in Fuel cost, saving almost Rs.9 Lakhs per Month.
 - Reduction in fuel emission as per MPCB Norms, considering particulate matter and sulphur dioxide.
 - Overcoming of problems related to liquid vaporization and fire hazards.
 - Additional Saving of upto 6 to 7 % in costs due to reduction in air fuel ratio required for complete combustion.
 - Cessation in Transportation cost of LPG and daily filling of LPG with trained manpower.
 - Optimum utilization of Storage space as space required for Natural Gas is less as compared to LPG yard as per CCOE Norms.
- Efficient use of thermal energy by use of alternate fuels, improvements in fuel burners, minimizing heat losses by improved insulation, etc.
- Furnaces consume large amounts of fuel so it is preferred to ensure they run with high load factor with least number of starts and stops. This is achieved now by sharing the furnace capacity with output of additional hot spinning machine. Better scheduling of production.
- Efforts are made to streamline processes to reduce down times. This ensures uninterrupted production with least idling thereby reducing energy requirements per cylinder.
- Reduction in water consumption to save on power requirement for water circulation. The Company has switched to closed loop liquid to Air Heat Exchangers instead of cooling towers for heat dissipation.
- Installation of VF drive and programmable logic controls for paint booth suction blower for cyclic speed swings, thereby reducing power consumption per cylinder.

II Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods:

The Company continues to draw to benefits in the area of energy conservation through its wind power projects. The Company had undertaken Wind farm projects at Kandla in the state of Gujarat and Satara in the state of Maharashtra, the brief details of which are given in the following table:

Place of Installation	No. of Wind-mills installed	Energy Generation Capacity	Investment (₹ in Lakhs)	Energy Generated during the year	Energy Generated during previous year
Kandla, Gujarat	1	1.650 MW	1,125.00	2270,441.00 units	1,908,116.00 units
Satara, Maharashtra	3	3 x 0.225 MW = 0.675MW	349.14	495,165.98 units	576,930.20 units

- The wind farm projects as mentioned in the preceding parts have been undertaken in the states of Gujarat and Maharashtra, where the Company is having its own manufacturing facilities. Considering the present power policy of Governments, the Company has directly benefited in terms of captive consumption of energy generated by aforesaid wind farm and also from the sale of power generated from these wind mills.
- At Satara, the energy generated is sold to Maharashtra State Electricity Board as per the Government's policy.

III. The details of energy consumption are given below. These details cover the operations of the Company's factories at Tarapur, Gandhidham and KASEZ

Particulars	Current Year	Previous Year
A) Power and Fuel consumption:		
a) Electricity purchased		
Units (kwh in Lakhs)	172.78	180.23
Total Amount (Rs. in Lakhs)	1277.19	1254.02
Rate per Unit (Rs.)	7.39	6.96
b) Oxygen purchased		
Units (Cu.M. in Lakhs)	7.62	7.96
Total Amount (Rs. in Lakhs)	106.27	111.21
Rate per Cu.M. (Rs.)	13.94	13.97
c) LDO purchased		
Units (Ltrs. in Lakhs)	-	-
Total Amount (Rs. in Lakhs)	-	-
Rate per Ltr. (Rs.)	-	-
d) LPG purchased		
Units (Kg. in Lakhs)	16.74	27.21
Total Amount (Rs. in Lakhs)	978.83	1148.43
Rate per Kg. (Rs.)	58.47	42.20
B) Consumption per unit of production:		
i. Electricity (kwh / MT)	633.19	404.53
ii. Oxygen (Cu.M / MT)	27.94	17.87
iii. LDO (Ltr. / MT)	-	-
iv. LPG (Kg. / MT)	61.35	61.08

Technology Absorption, Adaptation and Innovation:

Innovation is one of the key factors enabling EKC to achieve and maintain the Number One position in the area of high pressure gas cylinders manufacturing. This, aided by the infusion of latest technology, proper training of manpower to handle latest equipment and processes, ensures prompt reciprocation to customer requirement to their satisfaction. This has further enabled the company to meet the requirements of Aerospace sector, Defence sector to entire satisfaction of end user.

I. Technology Absorption

- Complete process was developed to manufacture newer models of Jumbo cylinders from High Alloy High Strength Steel pipes, without any technical collaboration or help from other company. This major step has made EKC the only manufacturer in India to make these High Alloy High Strength Jumbo Cylinders from tubes. It has opened up new markets which were hitherto inaccessible. It has also ensured management's support to Make in India initiative of the government.
- Latest PLC version with modified logic on Internal Shot Blasting Machine has helped us to reduce cycle time and increase the productivity.
- Company has Replaced Open Type Bus Bars of EOT Crane with Safe Duct Closed Type Bus Bars to improvise on safety requirements.
- To eliminate the risk of increasing pressure in the system, Company has started the use of pressure transmitter on air leakage test and cyclic testing machine.
- New Special Purpose pipe cutting machine has been developed, having capacity of cutting two pipes at a time. This has resulted in increased productivity.
- New Special purpose HST line has been developed to process all sizes and special (Larger Dia. and Water Capacity) cylinders.

II. Technology Adaptation

We are participating wholeheartedly in Government's initiative of Make in India. Hitherto we have been importing certain components as they were not manufactured in India. Now, some companies have come forward to manufacture these components in India and we shall be the application testing partners in that program for our customers.

III. Innovation

Innovation is a way of life at EKC. People at various levels in various departments contribute their ideas to keep the company at the leading edge.

- New cylinder models are developed to meet varying needs of different overseas standards which are much stringent than the standards which we operated till now.
- Company has developed various cylinders for Bio-Gas Plant Manufacturing Companies.

IV. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
I. Foreign Exchange Used	18716.80	20794.12
II. Foreign Exchange Earned	2353.97	1656.85

ANNEXURE VII: EXTRACT OF ANNUAL RETURN
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L29200MH1978PLC020434
2	Registration Date	June 24, 1978
3	Name of the Company	Everest Kanto Cylinder Limited
4	Category / Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered Office and Contact Details	204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021 Tel. No.: 022-49268300 Email: investors@ekc.in Website: www.everestkanto.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel. No.: +91 22 4918 6200, Fax: +91 22 49186060 Email: rint.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the main product / service	% of total turnover of the company
1	Manufacture of fabricated metal products, except machinery and equipment	025	95.33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
1	Calcutta Compressions & Liquefaction Engineering Ltd. Unit No. 203, 2 nd Floor, 52A, Shakespeare Sarani Chandan Niketan, Kolkata, West Bengal 700017	U51410WB2004PLC100920	Subsidiary	72.65	2(87)
2	EKC Positron Gas Limited Unit No. 203, 2 nd Floor, 52A, Shakespeare Sarani Chandan Niketan, Kolkata, West Bengal 700017	U40300WB2015PLC206360	Subsidiary	72.65	2(87)
3	Next Gen Cylinder Private Limited 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021	U74999MH2016PTC289026	Wholly Owned Subsidiary	100	2(87)
4	EKC International FZE PO Box: 61041, Plot No. S21004, Plot No. S21004, 7th Street, Jebel Ali Free Zone, Dubai, UAE	Foreign Company	Subsidiary	100	2(87)
5	EKC Industries (Tainjin) Company Limited Plot No. 12, He Chang Road, Wuqing Development Area, Tianjin, P.R. China	Foreign Company	Subsidiary		2(87)
			Everest Kanto Cylinder Ltd.	63.96	
			EKC International FZE	36.04	
6	EKC Industries (Thailand) Company Ltd. No. 269, Vibhavadi - Rangsit Road, Sanambin Sub-district, Donmuang District, Bangkok – 10120	Foreign Company	Subsidiary	100	2(87)
7	CP Industries Holding, Inc. 2214, Walnut Street, McKeesport, PA - 15132 (USA)	Foreign Company	Step-down Subsidiary	100	2(87)
8	EKC Hungary Kft. 1126, Budapest, Nagy Jeno u.10 Hungary	Foreign Company	Step-down Subsidiary	100	2(87)
9	EKC Europe GmbH Bismarckstr. 120, 47057 Duisburg, Germany	Foreign Company	Step-down Subsidiary	100	2(87)
10	Kamal EKC Industries Limited 188/2, Chang'ombe Road, P.O. Box No. 10392, Dar- Es- Salaam, Tanzania	Foreign Company	Ceased to be an Associate Company w.e.f. August 23, 2019		

IV. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as a % of Total Equity)
(a) Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Shareholding of Promoter and Promoter Group									
1 Indian									
a. Individual/HUF	52116431	0	52116431	46.45	52646181	0	52646181	46.92	0.47
b. Central Govt./State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
d. Any Other (Specify) Bodies Corporate	22618629	0	22618629	20.16	22618629	0	22618629	20.16	0.00
Sub Total- (A)-1	74735060	0	74735060	66.60	75264810	0	75264810	67.08	0.47
2 Foreign									
a. Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b. Government	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other (Specify)									
Sub Total- (A)-2	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	74735060	0	74735060	66.60	75264810	0	75264810	67.08	0.47
B. Public Shareholding									
1 Institution									
a. Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c. Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
d. Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e. Foreign Portfolio Investor	161762	0	161762	0.14	161762	0	161762	0.14	0.00
f. Financial Institutions/Banks	307854	0	307854	0.27	249	0	249	0.00	-0.27
g. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h. Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Any Other (Specify)									
Sub-Total-B (1)	469616	0	469616	0.42	162011	0	162011	0.14	-0.27
2 Central Government/ State Government(s)/President of India									
Central Government/ State Government(s)	500	0	500	0.00	500	0	500	0.00	0.00
Sub Total (B) (2)	500	0	500	0.00	500	0	500	0.00	0.00
3 Non-Institutions									
a. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	24113073	1630	24114703	21.49	24263591	1630	22462613	20.02	-1.47

Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the End of the year - 2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3426280	0	3426280	3.05	5980279	0	5980279	5.33	2.28
b NBFCs registered with RBI	9300	0	9300	0.01	8200	0	8200	0.01	0.00
c Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
d Any Other (Specify)									
IEPF	13124	0	13124	0.01	45073	0	45073	0.04	0.03
Trusts	1000	0	1000	0.00	1000	0	1000	0.00	0.00
Hindu Undivided Family	2078614	0	2078614	1.85	2107319	0	2107319	1.88	0.03
Non Resident Indians (Non Repat)	296607	0	296607	0.26	274348	0	274348	0.24	-0.02
Non Resident Indians (Repat)	982721	0	982721	0.88	1180569	0	1180569	1.05	0.18
Clearing Member	577161	0	577161	0.51	541095	0	541095	0.48	-0.03
Bodies Corporate	5502996	0	5502996	4.90	4178235	0	4178235	3.72	-1.18
Sub Total (B) (3)	37000876	1630	37002506	32.98	36778731	1630	36780361	32.78	-0.20
Total Public Shareholding(B) = (B)(1)+(B)(2)+(B)(3)	37470992	1630	37472622	33.40	36941242	1630	36942872	32.92	-0.47
Total (A)+(B)	112206052	1630	112207682	100.00	112206052	1630	112207682	100.00	0.00
C. Non Promoter - Non Public									
1 Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
Total (A)+(B)+(C)	112206052	1630	112207682	100.00	112206052	1630	112207682	100.00	-

(b) Shareholding of Promoters

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% Change in Shareholding during the year
		No. of Shares Held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Khurana Gases Pvt Ltd	17818629	15.88	12.94	17818629	15.88	12.94	0.00
2	Suman Premkumar Khurana	15303525	13.64	0.00	15585749	13.89	0.00	0.25
3	Premkumar Dharampal Khurana	12218000	10.89	10.89	12218000	10.89	10.89	0.00
4	Puneet Premkumar Khurana	7957933	7.09	0.00	8205459	7.31	0.00	0.22
5	Pushkar Premkumar Khurana	7503973	6.69	0.53	7503973	6.69	0.53	0.00
6	Medical Engineers (India) Limited	4800000	4.28	4.28	4800000	4.27	4.28	0.00
7	Premkumar Dharampal Khurana (HUF)	4800000	4.28	1.35	4800000	4.27	1.35	0.00
8	Varun Khurana	4322000	3.85	0.00	4322000	3.85	0.00	0.00
9	Nishita Khurana	10000	0.01	0.00	10000	0.01	0.00	0.00
10	Pooja Khurana	1000	0.00	0.00	1000	0.00	0.00	0.00
	Total	74735060	66.60	29.99	75264810	67.08	29.99	0.47

(c) Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of total shares of the Company
1	Khurana Gases Pvt. Ltd.	17818629	15.88			17818629	15.88
	At The End Of The Year					17818629	15.88
2	Suman Premkumar Khurana	15303525	13.64			15303525	13.64
	Market Purchase			05 Apr 2019	60474	15363999	13.69
	Market Purchase			20 Sep 2019	2995	15366994	13.70
	Market Purchase			27 Sep 2019	37005	15403999	13.73
	Market Purchase			30 Sep 2019	117970	15521969	13.83
	Market Purchase			04 Oct 2019	9743	15531712	13.84
	Market Purchase			11 Oct 2019	48375	15580087	13.89
	Market Purchase			18 Oct 2019	4852	15584939	13.89
	Market Purchase			31 Mar 2020	810	15585749	13.89
	At The End Of The Year					15585749	13.89
3	Premkumar Dharampal Khurana	12218000	10.89			12218000	10.89
	At The End Of The Year					12218000	10.89
4	Puneet Premkumar Khurana	7957933	7.09			7957933	7.09
	Market Purchase			13 Sep 2019	91233	8049166	7.17
	Market Purchase			20 Sep 2019	19922	8069088	7.19
	Market Purchase			30 Mar 2020	77371	8146459	7.26
	Market Purchase			31 Mar 2020	59000	8205459	7.31
	At The End Of The Year					8205459	7.31
5	Pushkar Premkumar Khurana	7503973	6.69			7503973	6.69
	At The End Of The Year					7503973	6.69
6	Medical Engineers (India) Limited	4800000	4.28			4800000	4.28
	At The End Of The Year					4800000	4.28
7	Premkumar Dharampal Khurana (HUF)	4800000	4.28			4800000	4.28
	At The End Of The Year					4800000	4.28
8	Varun Khurana	4322000	3.85			4322000	3.85
	At The End Of The Year					4322000	3.85
9	Nishita Khurana	10000	0.01			10000	0.01
	At The End Of The Year					10000	0.01
10	Pooja Khurana	1000	0.00			1000	0.00
	At The End Of The Year					1000	0.00

(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of total shares of the Company
1	Vikram Puri	30000	0.03			30000	0.03
	Transfer			27 Dec 2019	74709	104709	0.09
	Transfer			31 Dec 2019	55114	159823	0.14
	Transfer			03 Jan 2020	192796	352619	0.31
	Transfer			10 Jan 2020	277365	629984	0.56
	Transfer			17 Jan 2020	194833	824817	0.74
	Transfer			24 Jan 2020	258445	1083262	0.97
	Transfer			31 Jan 2020	6738	1090000	0.97
	Transfer			20 Mar 2020	160785	1250785	1.11
	Transfer			27 Mar 2020	40000	1290785	1.15
	Transfer			31 Mar 2020	20000	1310785	1.17
	At The End Of The Year					1310785	1.17
2	Shekhavati Investment Corporation Limited	414062	0.37			414062	0.37
	Transfer			05 Apr 2019	44490	458552	0.41
	Transfer			12 Apr 2019	55510	514062	0.46
	Transfer			31 May 2019	50000	564062	0.50
	Transfer			07 Jun 2019	14284	578346	0.52
	Transfer			02 Aug 2019	80000	658346	0.59
	Transfer			09 Aug 2019	1116	659462	0.59
	Transfer			25 Oct 2019	35132	694594	0.62
	Transfer			01 Nov 2019	34979	729573	0.65
	Transfer			31 Dec 2019	(36000)	693573	0.62
	Transfer			03 Jan 2020	(14000)	679573	0.61
	Transfer			06 Mar 2020	146870	826443	0.74
	Transfer			13 Mar 2020	25822	852265	0.76
	At The End Of The Year					852265	0.76
3	Kamrup Enterprises Limited	781694	0.70			781694	0.70
	At The End Of The Year					781694	0.70
4	Tarak Vora	275151	0.25			275151	0.25
	Transfer			06 Sep 2019	47792	322943	0.29
	Transfer			13 Sep 2019	4500	327443	0.29
	Transfer			20 Sep 2019	117959	445402	0.40
	Transfer			27 Sep 2019	78600	524002	0.47
	Transfer			30 Sep 2019	1198	525200	0.47
	Transfer			18 Oct 2019	600	525800	0.47
	At The End Of The Year					525800	0.47

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of total shares of the Company
5	Tarak Vora	368559	0.33			368559	0.33
	Transfer			12 Apr 2019	25000	393559	0.35
	Transfer			30 Aug 2019	44317	437876	0.40
	Transfer			06 Sep 2019	18000	455876	0.41
	Transfer			30 Sep 2019	700	456576	0.41
	At The End Of The Year					456576	0.41
6	Rajkumari Goenka	441999	0.39			441999	0.39
	Transfer			24 May 2019	(400000)	41999	0.04
	Transfer			21 Jun 2019	350000	391999	0.35
	Transfer			23 Aug 2019	50000	441999	0.39
	At The End Of The Year					441999	0.39
7	Ravi Hinduja	224659	0.20			224659	0.20
	Transfer			12 Jul 2019	24775	249434	0.22
	Transfer			19 Jul 2019	30000	279434	0.25
	Transfer			26 Jul 2019	16800	296234	0.26
	Transfer			02 Aug 2019	12232	308466	0.27
	Transfer			09 Aug 2019	13235	321701	0.29
	Transfer			13 Mar 2020	605	322306	0.29
	Transfer			31 Mar 2020	50000	372306	0.33
	At The End Of The Year					372306	0.33
8	Pravinaben Vora	127244	0.11			127244	0.11
	Transfer			31 Jan 2020	62756	190000	0.17
	Transfer			06 Mar 2020	164555	354555	0.32
	At The End Of The Year					354555	0.32
9	Maconochie & Co.	0	0.00			0	0.00
	Transfer			13 Mar 2020	855627	855627	0.76
	Transfer			20 Mar 2020	(110427)	745200	0.66
	Transfer			27 Mar 2020	(151500)	593700	0.53
	Transfer			31 Mar 2020	(270748)	322952	0.29
	At The End Of The Year					322952	0.29
10	Sonia Khurana	145000	0.13			145000	0.13
	Transfer			27 Dec 2019	141168	286168	0.26
	Transfer			28 Feb 2020	18832	305000	0.27
	Transfer			13 Mar 2020	1000	306000	0.27
	At The End Of The Year					306000	0.27

(e) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Names	Shareholding at the beginning of the year 2019		Shareholding at the end of the year 2020	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
(A) DIRECTORS					
1	Premkumar Khurana*	12218000	10.89	12218000	10.89
2	Pushkar Khurana**	7503973	6.69	7503973	6.69
3	Puneet Khurana***	7957933	7.09	8205459	7.31
4	M. N. Sudhindra Rao	0	0.00	0	0.00
5	Uma Acharya	0	0.00	0	0.00
6	Ghanshyam Karkera	0	0.00	0	0.00
7	Dr. Vaijayanti Pandit	0	0.00	0	0.00
(B) KMPs					
1	Sanjiv Kapur, Chief Financial Officer	0	0.00	0	0.00
2	Bhagyashree Kanekar, Company Secretary	0	0.00	0	0.00

* Demise of Mr. P. K. Khurana, Promoter, Chairman & Managing Director of the Company on October 11, 2019.

** Mr. Pushkar Khurana was designated as Promoter, Executive Chairman w.e.f. November 14, 2019.

*** Mr. Puneet Khurana resigned as Chief Executive Officer (CEO) and was appointed as Managing Director w.e.f. November 14, 2019.

V. INDEBTEDNESS

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal amount	14,778.37	5,180.36	-	19,958.73
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	14,778.37	5,180.36	-	19,958.73
Change in Indebtedness during the financial year				
Principal Amount				
(+) Addition	-	745.30	-	745.30
(-) Reduction	4,562.41	285.58	-	4,847.99
Ind As Adjustments				
(+) Addition	-	-	-	-
(-) Reduction	20.31	-	-	20.31
Interest accrued but not due				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-
Ind As Adjustments				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-

V. INDEBTEDNESS contd...

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Interest due but not paid				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-
Ind As Adjustments				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-
Net change				
Indebtedness at the end of the financial year				
1) Principal Amount	10,195.66	5,640.08	-	15,835.73
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	10,195.66	5,640.08	-	15,835.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr. P. K. Khurana – Chairman & Managing Director*	Mr. Pushkar Khurana – Chairman, Executive Director**	Mr. Puneet Khurana – Managing Director***	Total Amount (₹)
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	70,93,334	-	70,37,000	1,41,30,334
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	76,460	-	11,86,044	12,62,504
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	(i) As % of Profit	-	-	-	-
	(ii) Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Performance Bonus	-	-	-	-
	Total	71,69,794	-	82,23,044	1,53,92,838

* Demise of Mr. P. K. Khurana, Promoter, Chairman & Managing Director of the Company on October 11, 2019.

** Mr. Pushkar Khurana was designated as Promoter, Executive Chairman w.e.f November 14, 2019.

*** Mr. Puneet Khurana resigned as Chief Executive Officer (CEO) and was appointed as Managing Director w.e.f. November 14, 2019.

B. Remuneration to other directors:
I. Independent Directors:

Particulars of Remuneration	Name of Directors				Total Amount (₹)
	Mr. M.N. Sudhindra Rao	Mrs. Uma Acharya	Mr. Ghanshyam Karkera	Dr. Vaijayanti Pandit*	
Fees for attending Board & Committee Meetings	2,85,000	3,90,000	3,75,000	N.A.	10,50,000
Commission	5,00,000	5,00,000	5,00,000	N.A.	15,00,000
Others	Nil	Nil	Nil	N.A.	Nil
Total (I)	7,85,000	8,90,000	8,75,000	N.A.	25,50,000

* Appointed as an additional director category Independent w.e.f. March 30, 2020.

II. Other Executive / Non Executive Directors:

Other Non-Executive Directors	Mr. Pushkar Khurana*	Mr. Puneet Khurana**	Total Amount (₹)
Fees for attending Board & Committee Meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (II)	Nil	Nil	Nil
Total B = (I+II)	Nil	Nil	Nil

* Mr. Pushkar Khurana was designated as Promoter, Executive Chairman w.e.f. November 14, 2019.

** Mr. Puneet Khurana resigned as Chief Executive Officer (CEO) and was appointed as Managing Director w.e.f. November 14, 2019.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		Mr. Puneet Khurana as the Chief Executive Officer upto November 13, 2019	Mr. Sanjiv Kapur (CFO)	Ms. Bhagyashree Kanekar (CS & Compliance Officer)	
	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,24,94,000	63,93,180	9,03,296	1,97,84,476
1.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,36,921	-	-	19,36,921
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	(i) As % of Profit	-	-	-	-
	(ii) Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Performance Bonus	-	-	-	-
	Total	1,44,30,921	63,93,180	9,03,296	2,17,21,397

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under Companies Act, 2013):

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

ANNEXURE VIII: POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Objective

Everest Kanto Cylinder Limited ("Company" / "EKC") is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company. A work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other.

Meaning of Sexual Harassment

- a) Sexual Harassment is unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual. Physical conduct of a sexual nature includes all unwanted physical contact.
- b) Verbal forms of sexual harassment include abusive language or insults, unwelcome innuendoes, suggestions and hints, sexual advances, comments with sexual overtones, objectionable sex-related jokes or unwelcome graphic comments about individual's body structure in their presence or directed towards them.
- c) Any other unwelcomed physical, verbal or non-verbal conduct of sexual nature or inappropriate inquiries, and unwelcomed whistling directed at a person or group of persons.
- d) Non-verbal forms of sexual harassment include unwelcomed gestures, inappropriate exposure, and the unwelcomed display of sexually explicit pictures and objects in any media.
- e) The following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment, as defined in (a) above, may amount to sexual harassment:—
 - (i) Implied or explicit threat of detrimental treatment at work; or
 - (ii) To threat about present or future employment status; or
 - (iii) Interference and disturbance with work or creation of an intimidating or offensive work environment; or
 - (iv) Humiliating treatment likely to affect health, safety or self-esteem.

Policy Framework

- a) All Company employees will maintain high standards of dignity, respect and positive regard for one another in all their dealings.
- b) All Company employees will understand and appreciate the rights of an individual to be treated with respect and dignity.

- c) All Company employees are required to maintain a harassment free environment in the office premises.
- d) All Company employees will refrain from committing any acts of sexual harassment at work place.
- e) Allegations of sexual harassment will be dealt seriously, expeditiously, sensitively and with confidentiality.
- f) This policy will protect Company employees from victimization, retaliation for filing or reporting a complaint on sexual harassment and will also be protected from false accusations.

Procedure for dealing with complaints of sexual harassment

- a) Company shall form an internal Sexual harassment Internal complaint committee ("Committee") to deal with all the matters related to sexual harassment. A Senior female Everest Kanto employee will head the committee. The committee will also consist of a third party, either an NGO or any other body familiar with the issue of sexual harassment.
- b) If the person believes that he/she has been subjected to sexual harassment, then the complaint/ grievance should be promptly reported to the Internal Sexual harassment Committee through the respective HR Manager or the Unit/Location/Department Head.
- c) Ideally, the complaint should be lodged immediately or within a reasonable period 1 month from the date of incident/ last incident.
- d) All complaints / grievances of sexual harassment will be taken seriously, will be held in strict confidence and will be investigated promptly in an impartial manner. There may be a need to nominate a senior person to head the investigation if required in a particular matter.
- e) The Committee will thoroughly investigate the complaint / grievance and will take the necessary appropriate course of action.
- e) Any victimization of, or retaliation against, the complainant or any Company employee who gives evidence regarding sexual harassment or bullying will be subject to disciplinary action up to and including termination of employment.
- f) The Committee would examine each case on its merit and take a decision from time to time, for conducting the enquiry proceedings.
- g) In case, the complaint lodged is found to be false, malicious or forged and misleading documents have been produced, the Committee post investigations may recommend disciplinary action against the complainer.

Disciplinary Action

In case any such conduct amounts to a specific offence under the Indian Penal Code or under any other law, the company shall initiate appropriate action in accordance with the law by lodging complaint with the appropriate authority.

MANAGEMENT DISCUSSION & ANALYSIS

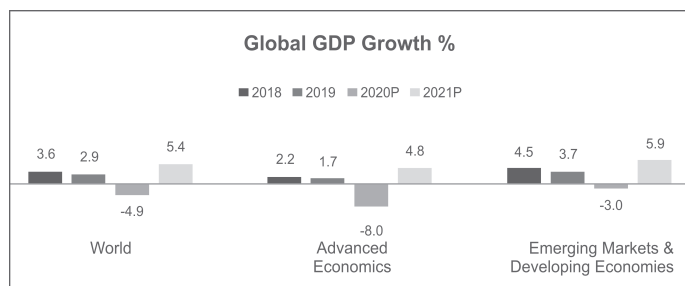
FORWARD - LOOKING STATEMENTS

This report contains forward looking statements identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward – looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

ECONOMIC OVERVIEW

Global Economy

Based on the June 2020 edition of the World Economic Outlook published by the International Monetary Fund (IMF), worldwide economic activity slowed down to 2.9% in 2019, with weakness seen across every country. Manufacturing operations, global supply chains, foreign trade and consumption patterns were under pressure, with commensurate impact on established structures both at macro as well as micro levels. Now the IMF expects the global economy to contract by 4.9% in 2020 due to the extensive impact of the COVID-19 pandemic, which is far worse than that of the global financial crisis of 2008-09. Advanced economies may see sharper decline than emerging economies. Globally, the spread of the virus has entailed both financial and human costs and, apart from imparting economic stimulus, rapid expansion of medical facilities has become a key imperative for governments. While the situation is evolving almost on a daily basis, the IMF currently expects significant rebound in 2021, with 5.4% growth in economic output.



Source: IMF's World Economic Outlook Update, June 2020

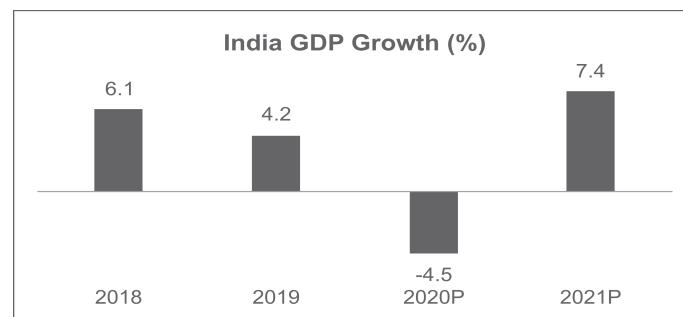
Indian Economy

In the financial year 2020-21, India is likely to record its worst economic output since liberalization in 1991, with the COVID-19 outbreak impacting the economy in a significant manner. The

effect of the virus has come at a time when India's economy had already slowed down to 4.2% in 2019-20 compared to average GDP growth of 7.5% over the preceding five years. Slow consumption demand, tight liquidity conditions and the NBFC crisis were among the factors that had a bearing on the economy during the year.

Over the last few years, several key economic indicators such as the country's fiscal deficit, current account deficit and consumer price inflation have shown improvement. India has moved up from #142 to #63 in the global Ease of Doing Business ranking over the last five years as many structural reforms have been executed to create a vibrant business environment. These are all positives from the perspective of attracting foreign investors that have collectively channelled about \$ 200 billion into the country over the last five years.

Going forward, over the longer term, India is well-positioned to drive strong growth – however, IMF currently estimates India's economy to contract by 4.5% in 2020 before reverting to growth of 6% in the following year.



Source: IMF – Projections for 2020 & 2021

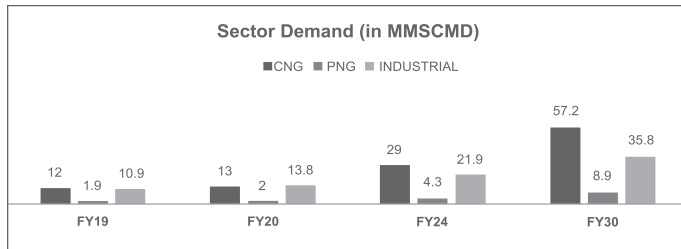
INDUSTRY SCENARIO

Domestic Demand

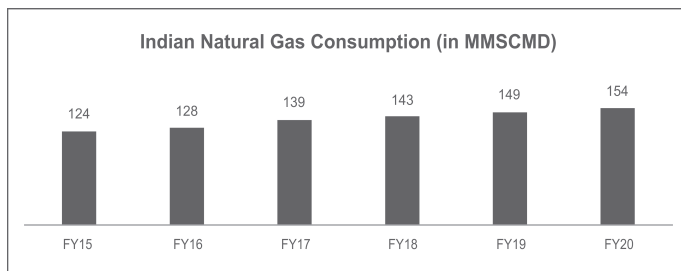
The Oil & Gas sector is an important constituent of India's core industrial sector with several other parts of the country's economy being reliant on the availability and cost of various fuel alternatives. India is the world's third-largest energy consumer after the U.S. and China and according to BP Energy Outlook 2019, India's share in global energy consumption is expected to increase from 6% in 2017 to 11% in 2040.

India's natural gas consumption is targeted to rise more than three-folds over the next decade, from about 170 million standard cubic metres per day (mmscmd) to 600 mmscmd, based on both economic and environmental considerations. If this target is achieved, the share of natural gas in the country's energy basket will increase from 6.2% at present to 15% by replacing coal and liquid fuels. The country has committed investments of \$ 60 billion to expand gas infrastructure that includes LNG import terminals, laying pipelines and expanding city gas distribution networks across the country.

Gas fuels the production of several heavy industries including fertilizers, power, refineries and petrochemicals apart from growing consumption for domestic purposes and automobiles. Industrial production currently reliant on coal and naphtha is transitioning to gas-fuelled plants and domestic gas production is also expected to rise commensurately. Fertilizers and city gas distribution (CGD) are seen to be the primary drivers of future consumption trends in the country.



Source: Company data, Credit Suisse estimates



CNG Usage Trends

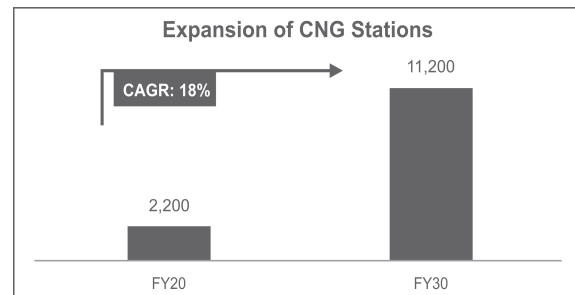
Following the successful 9th and 10th rounds of city gas distribution (CGD) auctions conducted in 2018, there is a committed and time-bound expansion of infrastructure to be executed over the next five years. Following this expansion, population coverage on CGD networks will increase from 20% to 70% as 298 additional districts and 136 additional geographical areas (GA's) start getting gas supplies for industrial, commercial, residential and automobile usage.

Over the last five years, CNG infrastructure has already been expanding with the number of operating CNG stations in the country increasing from ~1,000 to ~2,200 in the year ended 31st March 2020. Between 2015 and 2019, CNG sales volumes increased by 50% to over 3,000 TMT as there was a steady increase in the number of CNG-fuelled vehicles operating on Indian roads. While these are encouraging numbers, it is pertinent to note that about three-fourths of all CNG-fuelled vehicles are currently registered in just three states (Maharashtra, Gujarat and Delhi) as a disproportionate part of the fuel availability is highly localized to these states.

Now, by the year 2030, India's network of CNG stations is set to exceed 11,000, a growth of five times in a ten-year period with extensive nationwide coverage. Given the favourable economic proposition for CNG vehicles, compared to those powered by petrol or diesel, demand for this clean fuel option should expand considerably as auto manufacturers increase production and expand the number of models fitted with factory-fitted CNG kits.

In addition, based on industry estimates, several automobile manufacturers are likely to scale down the production of diesel vehicles due to the additional cost of production associated with stricter emission norms apart from the rising diesel prices for consumers. As per ICRA's report on the Indian passenger vehicle industry, the share of diesel vehicles has already reduced from 58% in 2012-13 to 29% in 2019-20 and could further reduce to 15-18% over the next three years. ICRA expects that CNG vehicles are likely to gain market share from the current 5% – as CNG vehicles are significantly cheaper than diesel vehicles and their operating cost economics are favourable compared to both petrol and diesel. Prices of CNG-powered vehicles may further rationalize with increasing scale of production and demand could increase with the availability of a larger range of models from many leading auto makers.

Growing concern for the environmental is another driver of CNG usage. Several initiatives are underway to create green transportation frameworks over the last few years with many of our cities exceeding widely accepted benchmarks of air pollution. One of these is the vehicle scrappage policy, based on which older, polluting vehicles will be taken off the road, paving the way for renewed demand for new vehicles. Another initiative likely to secure nationwide traction is the conversion of city/state transportation bus fleets and other means of mass transportation to CNG fuels.



Source: HDFC Securities

CNG Coverage on population in India

CGD authorisation	Geographical Areas	Population Covered (%)
Existing Infrastructure	92	19.9
Round 9 expansion	178	46.2
Round 10 expansion	228	70.5

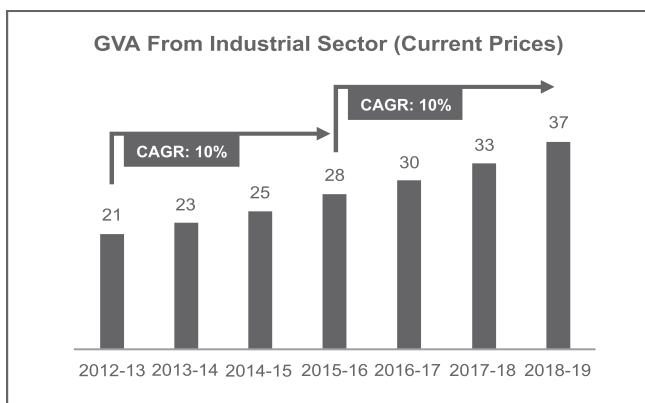
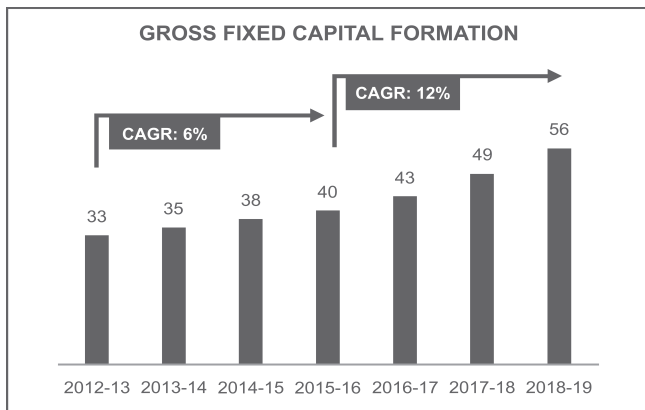
Source: Petroleum and Natural Gas Regulatory Board (PNGRB), HSIE Research

Industrial Usage Trends

After the recent weakness, the country is expected to rebound sharply next year. With renewed industrial activity driven by India's focus on expanding its domestic manufacturing, the industrial demand outlook looks promising over the next few years. Within this framework, the demand for various gases that power a variety of industrial activities is likely to expand.

India's industrial gases market consists of oxygen, hydrogen, nitrogen, carbon dioxide etc and is forecast to grow at a CAGR of over 11% till 2023, driven by growing demand from across a

range of industries including metals/steel, automobiles, refineries and chemicals, as well as from an increasing number of new applications for gas usage in the country. In addition, continuing growth in the country's healthcare and food & beverages sectors, among others, is expected to be an additional driver for the industrial gases market.



Source: RBI Handbook of Statistics: (Rs. Trillion)

Supply to Medical Establishments:

Medical gas supply systems in hospitals and other healthcare facilities create an ecosystem of specialized gases and gas mixtures including oxygen, medical air, nitrous oxide, nitrogen, carbon dioxide, medical vacuum and anaesthetic gases. Gases are used across general wards, operating theatres, intensive care units, recovery rooms and other major treatment rooms. With the expansion of medical facilities in urban as well as rural areas, both public sector and private sector demand for medical gases, cylinders and other allied equipment have been increasing steadily.

Over the last few months, there has been a rapid rise in demand for oxygen cylinders as medical infrastructure is being expanded for the treatment of COVID-19 related cases. To support the required scale-up, government authorities have expedited the review of existing infrastructure for the production and supply of medical oxygen and cylinders in the country based on prescribed standards to ensure adequate, disruption-free supply chains capacity of medical oxygen. Continued investment in public healthcare facilities is likely to drive demand from this vertical over the longer term.

Fire Equipment and Fire Suppression Systems:

The global fire safety equipment market is estimated at \$58 billion in 2018 and is expected to expand at an average rate of 8.8% from 2019 to 2025. Demand for advanced fire safety systems may be driven by industries such as manufacturing, utilities, petrochemicals, mining, oil gas exploration, energy power, automotive and construction. Countries across the world are adopting stringent regulations mandating installation of fire safety systems at industrial, residential and commercial locations.

Aerospace and Defence:

The Global Aerospace & Defence Industry has grown on the back of rising commercial aircraft production and higher defence spending. Aerospace demand is focused on next generation, fuel efficient aircraft with order backlog continuing to rise. The industry uses gases extensively for a wide range of applications including welding, cutting, heating, laser gas, thermal spray coating, heat treatment processes etc. In the defence sector, continued global tensions and geopolitical risks have driven higher spending – driven also by growing demand for replacement of fossil fuels with alternative fuels to operate aircraft, combat ships, vehicles as well as supporting equipment.

GLOBAL DEMAND

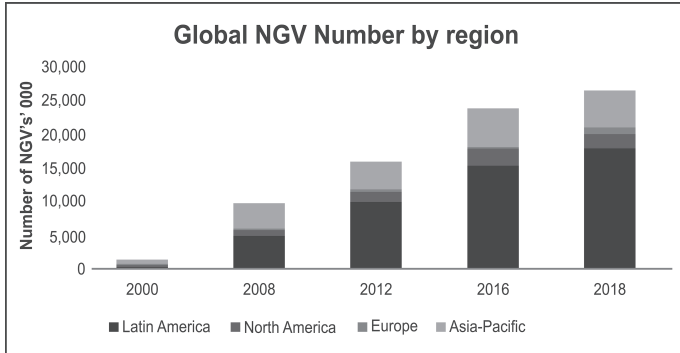
As per BP Energy Outlook: 2019 edition, the outlook on natural gas remains strong supported by broad-based usage and increasing availability of low-cost gas globally. Demand for natural gas is expected to increase by nearly 50% by 2040 – with natural gas and renewables expanding their share in the overall market for energy worldwide. Growth in gas demand can potentially come from almost every country and region. The largest volume of growth could come from power and industry sectors along with rapid growth in usage within the transport sector from a lower base. Global gas production is led by the US and Middle East – mainly Qatar and Iran – these regions are expected to account for almost 50% of the growth in gas production over the next two decades.

Within the larger segments, the usage of gas in industry is expected to accelerate over the outlook period while demand in the power sector grows slower. Industrial demand for gas will be driven by industrialization of developing economies, especially in regions with ample supplies such as the Middle East and Africa with continuing transition from coal-fired to gas-fired production.

Although the use of gas in the transport sector is slated to grow rapidly, it will remain smaller in volume than industry and power sectors over the period of evaluation. The speed and pattern of growth in gas demand, particularly in developing countries, is dependent on the pace at which the required supporting infrastructure is developed.

A report published by the Oxford Institute for Energy Studies on the prospects of natural gas in road transport indicates that globally the number of vehicles operating on natural gas continues to evolve, having grown significantly in the Asia-Pacific region followed by Latin America. Over the period 2005 to 2017,

the number of vehicles driven on gas has increased from 0.5% to 1.5% of the entire vehicle population. Currently, just six countries account for nearly 80% of the total gas-driven vehicle population with the top three – China, Iran and India – accounting for over 50%. The largest proportion of such vehicles is in Uzbekistan and Iran. While most vehicles fuelled by gas are smaller vehicles, buses and trucks also operate on gas mainly in China, Europe and the U.S. Gas usage trends in the transportation sector are driven by environmental advantages, financial benefits and vehicle/fuelling availability.



Source: NGV Global <http://www.iangv.org/current-ngv-stats/>

EKC'S BUSINESS FRAMEWORK

- Everest Kanto Cylinder Limited (EKC), established in 1978, is a clean energy solutions company and a leading global manufacturer of seamless steel gas cylinders with over 20 million industrial gas and CNG cylinders currently in service.
- EKC operates two manufacturing facilities in India located at Tarapur (Maharashtra) and Kandla SEZ (Gujarat) and two international facilities at Jebel Ali Free Zone in Dubai and Pittsburgh (PA), USA, with an aggregate capacity of over 900,000 cylinders annually.
- EKC's product range of industrial, CNG and jumbo cylinders are used for high-pressure storage of gases such as oxygen, hydrogen, nitrogen, argon, helium, air, etc and finds applications in a wide variety of industries such as manufacturing, fire equipment/suppression systems, medical establishments, aerospace/defence, and automobiles apart from some specialized usage areas. The Company has a ~150-strong client base in these vertical segments including Tata Motors, Bajaj Auto, Hyundai, Toyota, BOC India, Praxair, Mahanagar Gas and Adani Gas.
- Given its strong position in the Indian domestic market, where it enjoys a market share of more than 50%, and wide acceptance across several key international markets built over the last four decades, EKC is poised to benefit from the increasing usage of gases in industrial production and automobile sectors based on both economic and environmental considerations.
- The demand for gas cylinders is expected to grow through wider usage in traditional applications and several emerging, non-traditional applications. EKC has created a framework of capabilities backed by fungible manufacturing

assets with the capability to capture every facet of demand both in India and in many high-potential usage markets. The company, having more than 40 years of experience, garners the trust and faith of the industry in a product where quality, safety and reliability are of paramount importance for preferred supplier relationships.

GLOBAL OPERATIONS

Dubai

EKC International FZE, a subsidiary of the Company in Dubai, deals with CNG cylinders, industrial cylinders, cascades, multiple element gas containers specialized fire suppression systems and fire detection/alarm systems. Its target markets include the Middle East, South America, Eastern and Western Europe. Further, the subsidiary has received PESO (Petroleum & Explosive Safety Organization) Approval that now enables it to supply cylinders world-wide, including exports to India. With the expansion in demand from multinational companies operating in the fire-fighting and allied fields in the Indian market, there is a need for supplying them gas cylinders approved to international standards and cleared by the Chief Controller of Explosives (CCOE) for imports to India. The approval of the Dubai plant opens another market opportunity for EKC to service global companies that have operations in India, without the need to maintain additional inventory, while keeping quality associated with the EKC brand intact.

USA

In the U.S., EKC's operates as CP Industries Holdings Inc, which is a world leader in innovation, producing large, seamless pressure vessels. The product portfolio includes ground storage and mobile transportation for industrial gases and alternative fuels, on board cylinders for passenger and commercial vehicles, flasks for the U.S. Government shipboard systems, specialty vessels for foreign military, vessels for oil and gas exploration and cylinders for other specialty applications. CPI also markets DOT- approved industrial cylinders sourced from India and Dubai.

Europe

EKC FZE's Europe subsidiary has shown continuous growth and developed the European markets for the Indian and Dubai plants besides procuring products from the U.S. plant. The subsidiary has played a crucial and stellar role in composite cylinder product development for the US plant by providing in-house expertise. Key markets accessed include Italy, Germany, France and Hungary.

STRENGTHS

Sustained Leadership in the Indian Market

EKC is the pioneer in India for high-pressure seamless cylinders since 1978. The Company's first mover advantage has enabled it to garner the highest market share across every market based on its long-established relationships, backed by the largest production capacity in the country and an efficient raw material supply chain.

Established Production Infrastructure

With multi-locational production facilities across India, Dubai and USA, EKC is a global player in the true sense. Cylinders manufactured by EKC have earned a global reputation for high standards of quality and comply with the most stringent specifications laid down by international bodies and local authorities. EKC manufactures cylinders conforming to Indian Standards such as IS 7285 (Part 1), IS 7285 (Part 2) and IS 15490 and international standards such as ISO: 11439, ISO: 9809-1, NZS: 5454, ISO: 4705D, EN: 1964, ISO: 11120, ECE R-110.

Experienced Management

EKC's core management team includes several eminent people with deep domain knowledge and understanding of business intricacies. The existing team has been associated with the Company for decades, contributing substantially to its current position of leadership.

Global Presence

EKC Group exports to over 25 countries globally including countries in South East Asia, Middle East, USA, Europe, South America and Commonwealth of Independent States. Stringent quality standards and value-driven production norms underlie the Company's world-class products, global competitiveness and superior logistical capabilities.

Large Capacity and wide Product Range

EKC, along with its subsidiaries, has set up global scale capacities aggregating to more than two million cylinders annually with products ranging from 1 litre to 3,000 litres capacity. Its wide and versatile range includes Industrial Gas Cylinders, CNG Cylinders, CNG Cylinder Cascades, Jumbo Cylinders, Jumbo Skids and Composite Cylinders.

Wide Range of Established Relationships

EKC has demonstrated the unique ability and flexibility to meet customer specifications in line with international standards. This is backed by an ecosystem of deep trust across suppliers, gas distributors, OEM's and regulatory authorities including the Chief Controller of Explosives, Bureau of India.

Investment in New Technologies

EKC has always been the first mover in imbibing the latest emerging trends in cylinder manufacturing technologies such as powder coating painting booths and ultra-high productive machines, and expects to maintain its commitment to improvements in all aspects of its production processes.

CHALLENGES, RISKS AND CONCERNS

Escalation in input cost

EKC efficiently manages supplies of all its key raw materials to maintain continuous production and has expanded its supplier base, both domestic and international, to ensure seamless availability of key raw materials. However, volatility in the prices of raw materials such as seamless steel tubes due to various reasons may hamper profitability, and may also lead to demand contraction in the short term. The marketing department monitors raw material costs on regular basis to mitigate this risk.

Inbound and Outbound Competition

The Company enjoys #1 position in the market and has been a preferred partner for buyers of high-pressure gas cylinders, including both public and private customers. Even though the Company has a strong market position, it does face competition from domestic as well as imported products.

Evolution of new products

With technological development, newer products like liquid tanks, Cryocal's and Duracells are available. However, such technology being in nascent stage has been associated with high acquisition and maintenance cost. In the future, any other technologies may also evolve as a substitute for the Company's products.

Fluctuation in Foreign Currency

With ever changing economic and political scenarios, exchange rates of foreign currencies fluctuate on an on-going basis. This can lead to significant impact on the Company's profitability, as seamless steel tubes, a major raw material, are entirely imported and are denominated in foreign currency. The Company's treasury function actively tracks the movements in foreign currencies and has an internal risk management policy of proactively balancing between hedging of net exposures and the cost thereof.

Electric Vehicles

Even though significant emphasis has been placed on the introduction and usage of Electric Vehicles, widespread implementation is still some distance away as necessary infrastructure, such as a wide network of charging stations, is yet to be operationalized. Auto industry veterans are of the opinion that any forced and unrealistic deadline for mass adoption of electric two- and three-wheelers would create customer dissonance and also enhance the risk of derailing the existing auto industry framework and with it the four million jobs currently generated by the sector.

Litigation Risks

Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, employment related matters etc. Growing business stature of the Company may even lead to frivolous litigation that is without any legal merit, which is an inherent risk faced by all business entities. In addition to incurring legal costs and distracting the management, any litigation garners negative media attention and increases reputation risk. Adverse rulings can result in substantive damages.

OUTLOOK

EKC operates in vertical industry segments that hold the potential to deliver sustained growth over the longer term. Traditionally, the automobile sector has been a key demand driver for high-pressure gas cylinders with the expanding proliferation of CNG vehicles both in India and some key geographies internationally. Currently, there are two significant tail winds that could drive CNG usage in the auto sector in India. One, following the 9th and 10th rounds of auction of additional geographical areas (GA's) by the Petroleum and Natural Gas Regulatory Board (PNGRB), the CNG ecosystem is expected to expand considerably over the next few years to cover more than 70% of the Indian population. This is

already inducing auto manufacturers to expand their range of products fuelled by CNG, a trend that may continue to run over many years as OEM's recognize the increasing importance of CNG as a fuel of choice in the Indian market. Two, with the scaling down of diesel-fuelled cars by the industry, based on both economic and environmental considerations, CNG emerges as the cheaper fuel option for value-driven customers. EKC is well-entrenched in this market with the leading market share and a wide variety of deep OEM relationships. With scalable infrastructure available with the Company to meet the rise in demand, there lies ahead a tremendous opportunity in this sector.

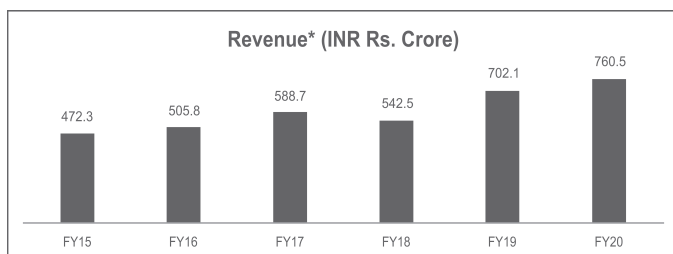
In addition, there is a rapid surge in demand for medical oxygen to support the expansion of infrastructure for hospitals and other health care facilities being expanded for the fight against the COVID-19 pandemic in the country. With this momentum, both public and private sector investments in the sector can drive several years of growth for the Company. EKC operates fungible infrastructure at its multi-locational facilities, which are already producing significantly larger volumes of cylinders that store oxygen for medical usage and have enabled scale up of several facilities in tune with the emerging requirements.

In addition, industrial demand for gas across various other verticals is expected to be driven by investments in infrastructure and the expansion of manufacturing in the country.

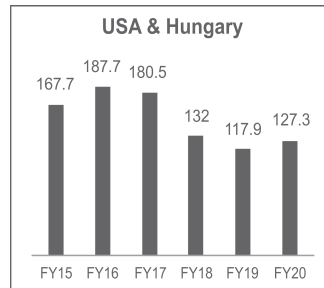
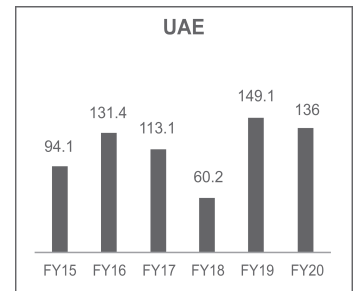
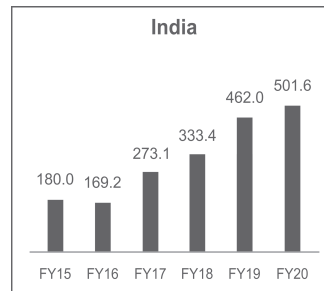
Whereas the Company's Indian operations have grown at 30% over the FY 16-20 period with expanding margins, the international business is well-established in local markets and exploring new opportunities that may lead to improving contribution from a wider range of geographies in future. With steady cash flow generation, EKC's debt leverage has reduced steadily and further improvements in capital structure are expected to drive return ratios and stakeholder value.

FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

The discussions in this section relates to the consolidated, Rupee denominated financial results pertaining to the year ended March 31, 2020. The financial statements of the Company and its subsidiaries (collectively referred to as 'EKC' or 'the Company') are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes

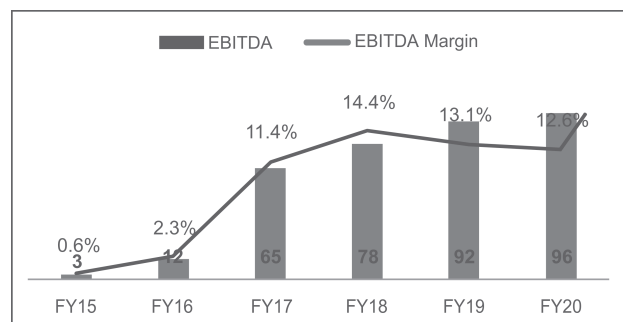


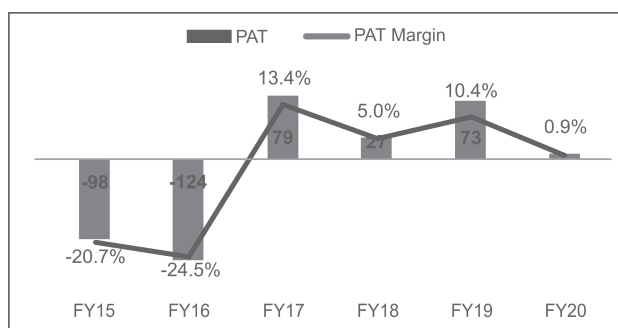
Source: NGV Global <http://www.iangv.org/current-ngv-stats/>



EKC's Indian operations-maintained growth momentum despite the last few crucial days of production and revenue loss due to the nationwide lockdown towards the close of the financial year. Even before the lockdown, weakness prevailed in the operating environment for businesses through most of the year. The automobiles sector, a key source of demand for high-pressure gas cylinders, saw continuing volume slowdown as consumption activity remained sluggish. However, within the auto ecosystem, CNG-driven vehicles are seeing expanding usage and market share gains for CNG vis-à-vis other fuels were seen in 2019-20 as well. With EKC's strong relationships with many leading automobile players in the country, business traction is possible to be achieved over the next few years by riding this trend.

Overseas operations remained subdued during the year. The Company's operations are currently re-focusing on developing new markets in Europe/CIS, Middle East, Africa and Latin America as the CNG usage expands in these countries. The U.S. business has faced transitioning demand weakness in some traditional usage areas such as the naval and aerospace segments. However, given the strong and long-standing relationships established by the Company's operations, the ensuing vendor consolidation should result in a positive flow through of orders.





Gross contribution has been expanding in the Company's Indian operations based on stronger growth in some of the higher margin products. Contribution margins in overseas operations have remained largely stable as businesses have been positioning for further scale up.

Operating expenditure on an overall basis has remained stable as growth initiatives have been driven on the back of a stable asset base. Operating margins in India have been steadily expanding in recent years – however, margin momentum in the current year has been impacted by weak demand in core usage markets. Going forward, while direct/product costs could be expected to grow in line with revenues; tight control on indirect costs will be maintained. Therefore, margins may increase over a period of time with further scale in operations.

Performance Highlights on Standalone Basis:

Profit After Tax has been maintained positive during FY20. Profitability has been subdued due to the impact of higher provision of depreciation. However, sustainable cash flow generation is indicative of value being created in the business.

The following table gives an overview of the Standalone Financial Results of the Company

(Rs. In Crores)	FY 20	FY19
Income from Continuing Business Operation	489.55	452.49
Earnings before interest, tax, depreciation and amortization (before other income)	76.67	73.16
Profit Before Tax (PBT)	25.96	40.54
Tax (Expense) / Mat Credit	(10.05)	46.99
Profit after Tax from continuing operation	15.91	87.53

The Company made increase in income from business operations of 8.19%, which signifies sustained operational performance amidst challenging environment.

Product-wise performance (Standalone) Sales Value

(Rs. In Crores)	FY 19-20	FY 18-19
CNG	237.00	195.00
Industrial	211.53	212.70
Jumbo	18.15	27.40
Trading Sales	18.81	13.20
Total	485.49	448.30

INTERNAL CONTROL SYSTEM

The Company has an Internal Audit System commensurate with its size and nature of business operations. At the start of every financial year, the Audit Committee finalizes scope of work with the Internal Auditor wherein key and other areas are identified for verification for onward submission of their report to the Audit Committee of the Board. The Internal Auditor submits report on quarterly basis. EKC has also implemented adequate internal controls towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with the applicable laws, rules and regulations.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes importance of manpower in overall business growth of the Company; hence it provides substantial thrust on the human resources of the Company. The Company undertakes various HR initiatives to enhance productivity of the employees thereby leading to integration of their personal and Company's goal. Training and Development of the employees forms an integral part of the Company's policy towards achieving its objectives. The Company has resilient talent management framework facilitating in identifying and nurturing employees with long term potential to take up critical leadership roles. The objective of this meticulous and consistent effort is to build a strong future-fit talent pool that is empowered to take the organization into a new orbit of growth and sustainability, keeping in view the career aspirations. The Company has 561 employees as on March 31, 2020.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations

Particulars	FY20	FY19	Detailed Explanation
Debtors Turnover	5.64	6.74	N.A.
Inventory Turnover	2.60	2.36	N.A.
Interest Coverage Ratio	2.03	2.74	Decline was majorly due to higher depreciation provision in FY 2020
Current Ratio	0.98	1.08	N.A.
Debt Equity Ratio	0.60	0.80	Reduction of term debts has led to improvement in Debt Equity Ratio
Operating Profit Margin (%)	15.70	16.20	N.A.
Net Profit Margin (%)	3.30	19.30	Net profit in FY2019 is higher on account of recognition of deferred tax assets of Rs. 5,707.31 lakhs as compared to FY 2020
Return on Net Worth (%)	6.00	34.70	Return on Networth in FY 2019 is higher due to recognition of deferred tax assets of Rs. 5,707.31 lakhs.

COVID-19:**Impact on Operations**

Following the government's advisory related to the Covid-19 pandemic, the company imposed a lockdown at its cylinder production facilities located at Tarapur (Maharashtra) and Kandla (Gujarat) with effect from 24 March 2020. Subsequently, as some of our products such as cylinders used for storing oxygen supplied to the medical/hospitals sector are covered under the category of essential goods, we received the requisite permissions to re-initiate manufacturing operations at these facilities, which allowed us to step up labor mobilization on an incremental basis. Gradually scaling up production, the company has operated at 25-30% of capacity till the end of April and at 60-70% of capacity during the month of May.

Supporting our ongoing production is the continued availability of raw material as supply chain efficiencies have been maintained by our major suppliers.

Also, the company's overseas manufacturing facilities located at Jebel Ali Free Zone, Dubai, UAE and Pittsburgh (PA), USA have continued to operate in the normal course of business throughout this period.

Impact on Financial Performance

Due to the temporary stoppage of production and our facilities subsequently operating with lower volumes, we incurred loss of revenues during the period since the lockdown got affected. Demand from customers in the automobiles sector, a significant contributor to our business, remains impacted during the first quarter. However, manufacturing volumes in the sector have started to expand across several leading automobile players and resumption of normalized economic conditions in the coming months should boost the demand for cylinders used to store CNG in automobiles. In addition to demand from the automobiles sector, we see resumption of demand for high-pressure cylinders from industrial clients and continued supply to the medical sector, where infrastructure expansion continues to be on fast track. This has ensured that there is no material impact on our operations on an overall basis.

Further, the impact on the company's capital and financial resources would be marginal as adequate liquidity has been maintained based on efficient working capital management backed by available banking limits. The company also does not see any incremental risk to the recoverability of receivables or depletion of value of assets such as inventories and investments, supported by the continuity in running the business operations. There is also no impact on the internal financial control framework due to the COVID-19 situation.

Overall, we see the current situation as deferment of demand with the longer-term outlook for the use of gases in automotive, industrial and medical sectors continuing to be robust across all these verticals. The company's leadership position in the sector allows growth visibility aligned with potential demand expansion once the country reverts to normalized economic activity.

Functioning of operations

The company has operationalized a framework for business continuity and risk control with the objective of effectively managing any potential impact on all our stakeholders. Key areas of emphasis within this framework are safety of people (employees, workers, customers) as well as business interests (business readiness, customer commitments, cash flows).

While in the first few days following the lockdown, the company faced many challenges of organizing skilled manpower and technical staff at its production sites, thereafter, based on guidelines issued by the Ministry of Home Affairs (MHA) and various state government advisories, the company has mobilized resources while strictly following the recommended standard operating procedures to ensure the safety and well-being of our people. Shop floor sanitization, social distancing, wearing safety masks, thermal scanning, sanitizing/washing hands and other preventive measures for health, hygiene and safety at the work place are being strictly adhered with.

Our people located at the Mumbai corporate office, and other office staff, were all advised to work from home during the lockdown period. At present, the corporate office is operating with limited attendance in line with the applicable government advisory.

From the supply chain/raw material availability standpoint, we have seen very limited disruption during most of the lockdown period and our major suppliers have continued to send shipments to our facilities. This has enabled us to maintain production output during this period.

Overall, the company remains well-positioned to fulfil its obligations and also does not foresee any significant impact on the operations due to non-fulfilment of obligations by any party doing business with it.

The aforesaid update is based on the management's assessment of current business conditions and the operations of its corporate and production facilities. However, given the dynamic and will change as the situation changes, which is not in the control of the company.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's essential character is shaped by the very values of transparency, integrity, professionalism, accountability and overall customer satisfaction. The Company continuously endeavors to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities to attain the goal of value creation.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in the various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI LODR Regulations 2015"), as applicable to the Company from time to time.

2. BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "Non Business" risks. The Board of Directors along with its committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing shareholder value. The Company's business is conducted by its employees under the direction of the Chairman & the Managing Director under the overall supervision of the Board.

• Composition and Size of Board

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors, all of whom are eminent persons with considerable professional expertise and experience in business and industry, finance, management and law. Your Company is managed and guided by a professional Board comprising 6 Directors, whose composition as on March 31, 2020 is given below:

- Two Promoters, Both Executive Directors
- Four Independent Directors

During the year, the composition of the Board of Directors was in conformity with the Regulation 17 of the SEBI LODR Regulations 2015.

The Independent Directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI LODR Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Further, the Company reiterates the same as they have fulfilled the required conditions of aforesaid regulation and the Act and they are independent of the Management.

Mr. Mohan Jayakar, Independent Director, resigned on April 16, 2019, due to personal reasons as stated in his

resignation letter and there were no other material reasons for the same.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Name of the Directors	Number of Directorships [^]	Number of Committees ^{^^}	
			Member	Chairperson
1.	Mr. P.K. Khurana*	1	2	0
2.	Mr. Pushkar Khurana**	1	1	0
3.	Mr. Puneet Khurana***	1	2	0
4.	Mr. M. N. Sudhindra Rao #	2	3	0
5.	Mrs. Uma Acharya	2	3	2
6.	Mr. Ghanshyam Karkera	2	4	2
7.	Dr. Vijayanti Ajit Pandit ##	5	4	1

[^] Excluding Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate Directorship, Companies under Section 8 of the Companies Act, 2013.

^{^^} Includes only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies including Everest Kanto Cylinder Limited.

* Demise of Mr. P. K. Khurana, Promoter, Executive Chairman and Managing Director on October 11, 2019.

** Redesignated as Promoter, Executive Chairman w.e.f. November 14, 2019.

*** Resigned as Chief Executive Officer and was appointed as Managing Director w.e.f. November 14, 2019.

To remove a technical glitch, Mr. M. N. Sudhindra Rao resigned and was immediately re-appointed as an Additional Director in Independent category w.e.f. on June 03, 2019.

Appointed as an Additional Director in Independent category w.e.f. March 30, 2020.

Directors of the Company have following directorships in other listed companies:

1. Mrs. Uma Acharya - Independent Director, Mysore Petro Chemicals Limited.
2. Mr. M. N. Sudhindra Rao – Independent Director, Indo Rama Synthetics (India) Ltd.
3. Mr. Ghanshyam Karkera - Independent Director, Polygenta Technologies Limited*.
4. Dr. Vijayanti Pandit – Independent Director of Banswara Syntex Ltd, Automobile Corporation of Goa Limited, I G Petrochemicals Limited and Indo Count Industries Limited

* Polygenta Technologies Limited is an Unlisted Public Company w.e.f. April 30, 2020.

• **Number of Board Meetings held, the dates on which held and attendance:**

Six Board Meetings were held during the year on May 30, 2019, June 3, 2019, August 22, 2019, November 14, 2019, February 12, 2020 and March 30, 2020 as per the minimum

requirement of four meetings. The Company has held at least one Board Meeting in every quarter and the maximum time gap between any two meetings was not more than four months.

• **Details of Board of Directors and their attendance at Board Meetings and last Annual General Meeting (AGM):**

Director	Category	Attendance Particulars		
		Board Meetings		Attendance at Last AGM held on September 30, 2019
		Held	Attended	
Mr. P. K. Khurana*	Promoter, Chairman & Managing Director	3	3	Yes
Mr. Pushkar Khurana**	Promoter, Executive Chairman	6	3	No
Mr. Puneet Khurana***	Promoter, Managing Director	2	2	N.A.
Mr. M. N. Sudhindra Rao	Independent, Non – Executive	6	5	No
Mrs. Uma Acharya	Independent, Non – Executive	6	6	Yes
Mr. Ghanshyam Karkera	Independent, Non – Executive	6	6	Yes
Mr. Mohan Jayakar #	Independent, Non – Executive	N.A.	N.A.	No
Dr. Vijayanti Pandit ##	Independent, Non – Executive	N.A.	N.A.	N.A.

* Demise of Mr. P. K. Khurana, Promoter, Executive Chairman and Managing Director of the Company, on October 11, 2019.

** Mr. Pushkar Khurana was designated as Promoter, Executive Chairman w.e.f. November 14, 2019.

*** Mr. Puneet Khurana resigned as Chief Executive Officer (CEO) and was appointed as Managing Director w.e.f. November 14, 2019.

Mr. Mohan Jayakar resigned as Non-Executive Independent Director w.e.f. April 16, 2019.

Dr. Vijayanti Pandit was appointed as an Additional Director category Independent w.e.f. March 30, 2020.

• **Board Meetings and Procedures**

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served. The Chairman & the Managing Director along with other Senior Managerial Personnel oversees the functional matters of the Company.

- Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- The Meetings are usually held at the Company's Registered Office at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.
- All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board/Committee Meetings.

All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda of the Board/Committee Meetings. The Chairman of the Board and the Company Secretary in consultation with other concerned members of the Senior Management finalize the agenda for the Board Meetings. Every Board member can suggest additional items for inclusion in the Agenda. Agenda and Notes on Agenda are circulated to the Directors, at least 7 days in advance, in the defined Agenda format. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. Additional or supplementary item(s) on the Agenda are taken up for discussion/decision with the permission of the Chairman.

- The Board is briefed about finance, sales, marketing, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk

management practices before taking on record the quarterly/annual financial results of the Company. All necessary information which includes but is not limited to the items mentioned in various Regulation's of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board of Directors. The Members of the Board are free to bring up any matter for discussions at the Board Meetings and the functioning is democratic.

- v. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. Senior Management is invited to attend the Board Meetings as and when required, so as to provide additional inputs to the items being discussed by the Board.
- vi. The Minutes of the Board Meetings of unlisted subsidiary companies are tabled at the Board Meetings. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies.
- vii. The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. The minutes of each Board/Committee Meetings are circulated in draft to all Directors for their confirmation before being recorded in the Minutes book. The minutes are entered in the Minutes Book within 30 days from conclusion of the concerned meeting.

• **Role of Independent Directors**

Independent directors play a key role in the decision making process of the Board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of their fields of expertise as well as the boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

In the opinion of the Board, the Independent Directors fulfills the criteria for independence and are independent of the Board.

• **Separate Meeting of Independent Directors:**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR Regulations, 2015, a separate meeting of the Independent

Directors of the Company was held on February 12, 2020, three Independent Directors were present at the meeting with no presence of Non-Independent Directors and Members of the Management for transacting following agenda:

- (i) Review the performance of Non-Independent Directors and the Board as a whole;
- (ii) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

• **Inter-se relationships among Directors**

Mr. Pushkar Khurana (Chairman & Executive Director) & Mr. Puneet Khurana (Managing Director) are sons of Late Mr. Prem Kumar Khurana, the then Chairman and Managing Director of the Company and are related to each other as brothers.

Mr. Mohan Jayakar (resigned as Non-Executive Independent Director on April 16, 2019) is the uncle of Mrs. Uma Acharya.

Except the above, there are no inter-se relationships among the Directors.

• **None of the Non-Executive Independent Directors hold any equity shares of the Company.**

• **Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's business model, group structure, organization structure and such other areas. These programs also intend to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company to enable them to make effective contribution and discharge their functions effectively, as a Board Member. The details on the Company's methodology of the Familiarization Program for IDs can be accessed at: <http://www.everestkanto.com/Familiarisation-Program-for-Independent-Directors.pdf>.

- The Directors of your Company are from diverse fields and have expertise and long standing experience and expert knowledge in their respective fields which are relevant and of considerable value for the Company's business growth. The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and sector(s) for it to function effectively:\

The Core Skills / Expertise / Competencies required in the Board in the context of the Company's Business and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Core Skills / Expertise / Competencies	Mr. Pushkar Khurana	Mr. Puneet Khurana	Mr. M. N. Sudhindra Rao	Mrs. Uma Achyut Acharya	Mr. Ghanshyam Karkera	Dr. Vaijayanti Ajit Pandit
Leadership / Operational expertise	✓	✓	✓		✓	✓
Strategic planning	✓	✓	✓	✓	✓	✓
Sector/Industry Knowledge & Experience, Research & Development and Innovation	✓	✓	✓		✓	
Financial, Regulatory / Legal & Risk Management	✓	✓	✓	✓	✓	
Corporate Governance	✓	✓	✓	✓	✓	✓

3. BOARD COMMITTEES

To enable better and focused attention of the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision making and report the same to the Board at the subsequent meetings.

A. AUDIT COMMITTEE

(a) Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, *inter alia*, to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies etc.

The Audit Committee has been re-constituted during the year under the provisions of Section 177 of the Companies Act, 2013 and the terms of reference of the committee are:

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements and auditor's report are correct, sufficient and credible;
- Recommend the appointment, terms of appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Approval or any subsequent modification of transactions of the Company with related parties;

- Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified opinion(s) / Qualifications in the draft audit report;

- Reviewing, with the management, the quarterly financial statements and auditor's limited review reports before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- viii. Reviewing, with the management, independence and/or performance of statutory and internal auditors;
- ix. Reviewing of adequacy and effectiveness of internal control systems and processes;
- x. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xi. Discussion with Internal Auditors any significant findings and follow up there on;
- xii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiii. Evaluation of internal financial controls and risk management systems;
- xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- xvi. To review the functioning of the Whistle Blower Mechanism, in case the same is existing;
- xvii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xviii. Scrutiny of inter-corporate loans and investments;
- xix. Valuation of undertakings or assets of the company, wherever it is necessary;
- xx. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xxii. Carrying out any other functions as may be stipulated by any law or regulation or any Government guidelines or the Board of Directors, from time to time.

(b) Composition, Name of the Members and Chairperson

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it comprises of three Independent Non-Executive Directors and one Promoter Executive Director.

All the members of the Committee are financially literate, Chairman of the Audit Committee Mr. Ghanshyam Karkera, has adequate knowledge, experience and expertise in accounts and finance. The Company Secretary is the Secretary to the Audit Committee.

The Statutory Auditors, Internal Auditors and executives of Accounts & Finance Department are invited to attend all the meetings of the Committee. The Statutory Auditors and the Internal Auditors are present at the meetings for discussion on their broad findings.

The Composition of the Audit Committee and attendance of each Member at the Audit Committee meetings held during the year is as under:

Name of the Member	Designation	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Ghanshyam Karkera	Chairman	Independent & Non- Executive	4	4
Mr. P. K. Khurana*	Member	Promoter, Executive Chairman and Managing Director	4	2
Mr. Puneet Khurana**	Member	Promoter, Managing Director	4	2
Mr. M. N. Sudhindra Rao#	Member	Independent & Non- Executive	4	3
Mrs. Uma Acharya	Member	Independent & Non- Executive	4	4
Mr. Mohan Jayakar ##	Member	Independent & Non- Executive	4	0

* Ceased to be the member of Audit committee due to demise on October 11, 2019.

** Appointed as member of Audit Committee w.e.f. November 14, 2019.

Appointed as the member of Audit Committee w.e.f. August 22, 2019.

Ceased to be the member of Audit Committee w.e.f. April 16, 2019 due to resignation.

(c) Meetings of the Audit Committee

Four meetings of the Audit Committee were held during the year ended March 31, 2020, on May 30, 2019, August 22, 2019, November 14, 2020, and February 12, 2020.

B. NOMINATION AND REMUNERATION COMMITTEE
(a) Terms of Reference

The Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it comprises of three Independent Non-Executive Directors and one Promoter Executive Director.

The terms of reference of the Committee are:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- v. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management;
- vii. While formulating the Policy, the Committee should ensure that-
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- viii. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

(b) Composition, Name of the Members and Chairperson

Name of the Member	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. M. N. Sudhindra Rao**	Chairman w.e.f. November 14, 2019 Member w.e.f. August 22, 2019	Independent & Non-Executive	4	3
Mrs. Uma Acharya	Member	Independent & Non-Executive	4	4
Mr. Ghanshyam Karkera	Member; Chairman w.e.f. May 30, 2019 to November 14, 2019	Independent & Non-Executive	4	4
Mr. Pushkar Khurana***	Member	Promoter, Executive Chairman	4	3
Mr. Mohan Jayakar*	Chairman / Member	Independent & Non-Executive	4	0

* Ceased to be the Chairman / Member of Nomination and Remuneration Committee w.e.f. April 16, 2019 due to resignation.

** Appointed as the member of Nomination and Remuneration Committee w.e.f. August 22, 2019.

*** Designated as Promoter, Executive Chairman of the company w.e.f. November 14, 2019.

(c) Meetings of the Nomination and Remuneration Committee

During the year under review, four meetings of the Committee were held on June 3, 2019, November 14, 2019, February 10, 2020, and March 30, 2020.

d) Performance Evaluation criteria for Independent Directors:

Nomination and Remuneration Committee has set the performance evaluation criteria for Independent Directors and have formulated the performance evaluation framework, which has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment, efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Terms of reference

Stakeholders' Relationship Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015.

The terms of reference of the committee are:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(b) Composition, Name of the Members and Chairman

Name of the Member	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. M. N. Sudhendra Rao ##	Member	Independent & Non-Executive	0	0
Mrs. Uma Acharya	Chairperson w.e.f. November 14, 2019; Member upto August 22, 2019	Independent & Non-Executive	1	1
Mr. P. K. Khurana**	Member	Promoter, Executive Chairman and Managing Director	0	0
Mr. Ghanshyam Karkera	Member	Independent & Non-Executive	1	1
Mr. Puneet Khurana*	Member	Promoter, Managing Director	1	1
Mr. Pushkar Khurana	Member	Promoter, Executive Chairman	1	1
Mr. Mohan Jayakar #	Chairman	Independent & Non-Executive	0	0

Appointed as member of the committee w.e.f. August 22, 2019 and ceased to be the member of the committee w.e.f. November 14, 2019.

** Ceased to be the member of committee due to Demise on October 11, 2019.

* Appointed as member of the committee w.e.f. November 14, 2019

Ceased to be the Chairman and Member of committee w.e.f. April 16, 2019 due to resignation.

(c) Meetings of the Stakeholders' Relationship Committee

One meeting of the Stakeholders' Relationship Committee for the year ended March 31, 2020 was held on February 12, 2020.

(d) Name, Designation and Address of the Compliance Officer

Ms. Bhagyashree Kanekar, Company Secretary & Compliance Officer

204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021.

Tel.: 91 22 4926 8300,

Fax: 91 22 2287 0720.

Email: investors@ekc.in

(e) Investor Grievance Redressal

The total number of complaints received and replied to the satisfaction of shareholders during the year under review is as under:

Quarter Ended	Pending from earlier quarter	Received during the quarter	Resolved during the quarter	Pending at end of the quarter
Jun – 2019	0	0	0	0
Sep – 2019	0	0	0	0
Dec – 2019	0	0	0	0
Mar - 2020	0	0	0	0
Total	0	0	0	0

There were no requests for transfer and for dematerialization pending for approval as on March 31, 2020.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent (R & T Agent), M/s. Link Intime India Private Limited attend to all the grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Most of the investors' grievances/correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the said R & T Agent and takes proactive steps and actions for resolving complaints/queries of the shareholders/ investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

(f) Equity Shares in the Suspense Account

As required under Regulation 34(3) and 53(f) read with Schedule V(F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 2110 Equity shares belonging to 10 shareholders are lying in the unclaimed securities suspense account as on April 01, 2019 and March 31, 2020. There was no movement in suspense account during the year. The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

D. REMUNERATION OF DIRECTORS

Nomination and Remuneration Policy

In accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR 2015, the Board has formulated a Nomination and Remuneration Policy.

The policy has been posted on the Company's website. The web link for the policy is www.everestkanto.com/policies.

The Nomination and Remuneration Policy of the Company considers various parameters like the performance of the Company, the current trends in the industry, the experience of the appointee(s), their past performance and other relevant factors for considering the remuneration payable to the Directors, Key Managerial personnel and other employees. The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

In respect of the financial year 2019-20, the sitting fees paid to the Non - Executive Directors are as detailed below:

(in ₹)

Name	Sitting fees paid during the year 2019-20		Commis-ssion	Total
	Board Meetings	Committee Meetings		
Mr. M. N. Sudhindra Rao	1,50,000	1,35,000	5,00,000	7,85,000
Mrs. Uma Acharya	1,80,000	2,10,000	5,00,000	8,90,000
Mr. Ghanshyam Karkera	1,80,000	1,95,000	5,00,000	8,75,000
Dr. Vijayanti Ajit Pandit*	N.A.	N.A.	N.A.	N.A.

* Appointed as an Additional Director – Independent category w.e.f. March 30, 2020.

The remuneration for non-executive directors consists of sitting fees and commission. The commission payable to non-executive directors is approved by the board and is within the overall limits as approved by the shareholders at the 41st AGM of the Company. Details of the remuneration and shareholding of non-executive directors are provided in Form No. MGT-9 in the annual report.

Details of Remuneration to the Managing Directors (in ₹)

Name	Salary	Perquisites	Others	Total
Mr. P.K. Khurana*	70,93,334	76,460	-	71,69,794
Mr. Puneet Khurana**	70,37,000	11,86,044	-	82,23,044

* Demise of Mr. P. K. Khurana, Promoter, Managing Director Chairman of the Company on October 11, 2019.

** Mr. Puneet Khurana was appointed as Managing Director w.e.f. November 14, 2019.

The elements of the remuneration package of executive directors comprises of salary, commission, perquisites, other benefits and allowances as per the Company's policy and as approved by the board / Nomination and Remuneration Committee, from time to time. The same is decided by the Nomination and Remuneration Committee within the overall limits as approved by the shareholders at the AGMs.

The annual increments of the executive directors are linked to their performance and are decided by the Nomination and Remuneration Committee. Service contracts and the notice period are as per the terms of agreement entered into by them with the Company.

The remuneration contracts of the executive directors do not have malus or clawback provisions. No severance fee is payable by the Company on termination of these contracts.

Details of remuneration paid/payable to the whole-time directors during the year under review are provided in Form No. MGT-9.

4. GENERAL BODY MEETINGS

A. Annual General Meeting

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed there at are as follows:

Financial Year	Date & Time	Special Resolutions passed	Venue
2019	30 th September, 2019 at 4.30 pm	Appointment of Mr. M. N. Sudhindra Rao (DIN: 01820347) as an Independent, Non-Executive Director of the Company.	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.
2018	29 th September, 2018 at 3.00 pm	Re-appointment of Mr. P. K. Khurana as Chairman and Managing Director for 3 years w.e.f. January 1, 2019 along with approval for his remuneration.	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.
2017	27 th September, 2017 at 11.00 am	None	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

B. Postal Ballot

During the year, no resolutions were passed through postal ballot.

5. MEANS OF COMMUNICATION

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Business Standard' and in a vernacular language newspaper 'Mumbai Lakshadeep'. The financial results and the official news releases are also displayed on the Company's website: www.everestkanto.com.
- **Website:** The Company's website: www.everestkanto.com contains a separate section 'Investors' where shareholders' information is available. The Company's Financial Results and Annual Reports are also available on the Company's website in the downloadable form.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in submitting regular reports, certificate etc. electronically at <https://listing.bseindia.com>.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://www.connect2nse.com> / LISTING.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive e-mail - id:** The Company has an exclusive e-mail id - investors@ekc.in dedicated for prompt redressal of shareholders' queries, grievances etc.

6. GENERAL SHAREHOLDER INFORMATION

6.1 Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29200MH1978PLC020434.

6.2 41st Annual General Meeting:

Day, Date and Time:

Tuesday, September 29, 2020 at 12.30 p.m.

Venue: In accordance with the circulars issued by the Ministry of Corporate Affairs, the Company proposed to convene Annual General Meeting (AGM) through video conferencing or other modes, hence the Registered Office would be the deemed venue for the AGM.

6.3 Financial Calendar (tentative and subject to change)

Financial Year: April 01, 2020 to March 31, 2021

Results for the quarter ending June 30, 2020

1st / 2nd week of August, 2020

Results for quarter ending September 30, 2020

1st / 2nd week of November, 2020

Results for quarter ending December 31, 2020

1st / 2nd week of February, 2021

Results for year ending March 31, 2021

3rd / 4th week of May, 2021

Annual General Meeting

August / September, 2021

6.4 Book Closure Period

The Register of Members and the Share Transfer books of the Company will remain closed from September 23, 2020 to September 29, 2020 (both days inclusive), for the purpose of the 41st Annual General Meeting.

6.5 Dividend Payment Date

The Board of Directors has not proposed any dividend for the Financial Year 2019-20.

6.6 Listing on Stock Exchanges

Equity Shares

The Equity shares of the Company are listed on following stock exchanges:

1. BSE Limited (BSE),

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 532684

2. National Stock Exchange of India Limited (NSE),

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

Trading Symbol: EKC

The International Securities Identification Number (ISIN) in respect of the said equity shares is INE184H01027.

Payment of Listing Fee

Annual listing fees payable to BSE and NSE for 2020-21 have been paid by the Company.

6.7 Stock Market Data

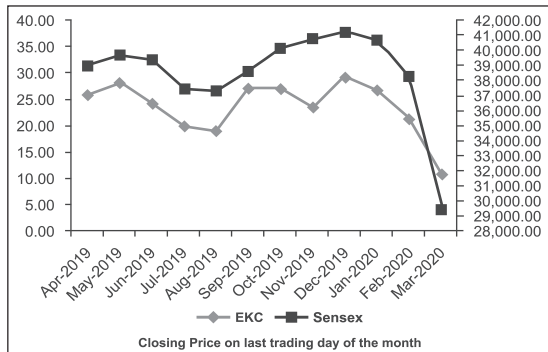
High, Low during each month and trading volumes of the Company's Equity Shares during the financial year 2019- 20 at BSE and NSE are given below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded
April 2019	29.95	25.65	260406	30.00	25.50	1638657
May 2019	29.90	23.60	321901	30.00	23.80	1671678
June 2019	28.70	23.20	242731	28.80	23.00	1037933
July 2019	25.45	18.45	426981	25.30	18.10	1830161
August 2019	22.85	18.10	345883	23.40	18.10	1258794
September 2019	29.00	18.20	613053	29.20	17.60	2834247
October 2019	29.55	20.50	188360	29.70	22.70	1199630
November 2019	29.95	22.50	307453	29.90	22.40	1581330
December 2019	29.60	20.00	398638	29.65	19.80	2523788
January 2020	33.10	25.00	620064	33.00	26.55	5029769
February 2020	28.45	21.00	190669	28.50	20.90	1491726
March 2020	22.60	9.45	464104	22.70	9.85	3117516

Source: BSE & NSE website

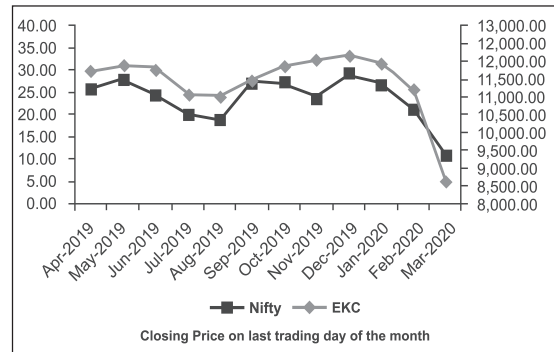
6.8 Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index (SENSEX) is given in the chart below:



Source: BSE website

The performance of the Company's shares relative to the NSE Sensitive Index (S&P CNX Nifty Index) is given in the chart below:



Source: NSE website

Liquidity

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

6.9 Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd.

C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 83.

Tel. : 91 22 49186000, Fax. : 91 22 49186060,

Email: rnt.helpdesk@linkintime.co.in

6.10 Share Transfer System

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

6.11 Statement showing Shareholding Pattern as on March 31, 2020

Category of Shareholders	Number of Shares	% of Shareholding
Shareholding of Promoter and Promoter Group	75,264,810	67.08
Mutual Funds	0	0
Central Government / State Government(s)	500	0
Financial Institutions / Banks	249	0
Foreign Institutional Investors (Including FPI)	161,762	0.14
NBFC Registered with RBI	8,200	0.01
Bodies Corporate	4,178,235	3.72
Individual shareholders holding nominal share capital up to Rs. 2 lakhs	24,265,221	21.62
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	4,179,301	3.72
Clearing Members	541,095	0.48
Non Resident Indians	1,454,917	1.30
Foreign Companies	0	0
Other Directors	0	0
HUF	2,107,319	1.88
Trusts	1,000	0
IEPF	45,073	0.04
TOTAL	112,207,682	100.00

6.12 Statement showing Shareholding Pattern as on March 31, 2020

No. of Shares held	No. of Shareholders	% to No. of Shareholders	No. of Shares	% to No. of Shares
1 - 500	34,253	80.05	53,59,532	4.78
501 - 1000	4,166	9.74	34,72,637	3.09
1001 - 2000	2,174	5.08	34,35,018	3.06
2001 - 3000	719	1.68	18,66,676	1.66
3001 - 4000	340	0.79	12,39,686	1.10
4001 - 5000	304	0.71	14,55,609	1.30
5001 - 10000	435	1.02	32,22,880	2.87
10001 and above	396	0.93	9,21,55,644	82.13
TOTAL	42,787	100.00	112,207,682	100.00

6.13 Dematerialization of Shares as on March 31, 2020

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2 each	
	Number	% of Total
Dematerialised form		
CDSL	1,62,30,145	14.46
NSDL	9,59,75,907	85.53
Sub – Total	11,22,06,052	100.00
Physical Form	1,630	0.00
Total	112,207,682	100.00

6.14 Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2020.

6.15 Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

1. Risk Management with respect to the Commodities and Forex:

Taking into consideration the Company's products ranges, commodities form an integral part of the raw materials requirements, hence commodity price risk is one of the important market risks for the Company. The Chief Financial Officer along with Finance Controller and other departments like procurement,

marketing etc. try to ensure that your Company is protected from the market volatility in terms of price and availability by formulating necessary strategies based on market conditions.

The Company does not have any exposure hedged through commodity during the financial year 2019-20.

Link Intime India Pvt. Ltd.

C101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel. : 91 22 4918 6270, Fax. : 91 22 49186060 Email: rnt.helpdesk@linkintime.co.in

6.16 Plant Locations

The Company's plants are located at below mentioned places:

Kandla Special	Plot no. 525 to 542, 618, 619, 627 & 628, Sector - Economic Zone : New Extended Area, Kandla Special Economic Zone, Gandhidham, Kutch - 370 230, Gujarat
Tarapur	N-62, MIDC Industrial Area, Kumbhavali Naka, Tarapur - 401 506, Maharashtra
Aurangabad	E-22, MIDC Area, Chikalthana, Aurangabad - 431 210, Maharashtra

6.17 Address for Correspondence

Shareholders' correspondence should be addressed to Company's Registrar & Share Transfer Agent at the below mentioned address. Shareholders may also contact Ms. Bhagyashree Kanekar, Company Secretary, at the registered office of the Company for any assistance at:

Tel.: 91 22 4926 8299

Email: investors@ekc.in

6.18 List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company is not required to obtain any credit ratings for debt instruments, fixed deposit or any proposal for mobilization of funds, whether in India or abroad, as same has not been issued.

6.19 Disclosures:
1. Policy on materially significant Related Party Transactions

During the financial year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Refer to Note 43 to the Financial Statements for disclosure of Related Party transactions.

The Company has formulated policy on dealing with Related Party Transactions. This policy is placed on the Company's website www.everestkanto.com/policies.html.

2. The Company has complied with the requirements of Regulatory Authorities on capital markets; hence there are no non-compliances for which penalty / stricture was imposed by the Stock Exchange(s) or SEBI or any other Statutory Authority on the Company during the last three years except the following.

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Observations / Remarks of the Practicing Company Secretary	Details of action taken E.g. fines, warning letter, debarment, etc.
1.	Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit financial results to stock exchange within forty five days of end of each quarter other than last quarter.	Delay in submission of Financial Results for the quarter ended June 30, 2019 to respective stock exchanges.	Stock Exchanges informed the Company, the amount of fine that was required to be paid in terms of circular No. SEBI / HO / CFD / CMD / CIR / P / 2018 / 77 dated May 03, 2018 for which Company has paid the fine.

3. The Company has formulated Vigil Mechanism / Whistleblower policy with an aim to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values.

This policy is placed on the Company's website www.everestkanto.com/policies.html.

It is affirmed that no person has been denied direct access to the chairperson of the Audit committee.

4. The Company has adopted policy for determining Material Subsidiary in accordance with Regulation 24 of the SEBI LODR, 2015; the said policy is placed on the Company's website www.everestkanto.com/policies.html. The audit

committee reviews the consolidated financial statements of the Company and the investments made by its Unlisted Subsidiary Companies. A report on significant developments of the Unlisted Subsidiary Companies is periodically placed before the Board of Directors of the Company.

EKC International FZE in Dubai, UAE and CP Industries Holdings, Inc. in USA are material subsidiaries of the Company. The Company has appointed Mr. Ghanshyam Karkera, Independent Director on the board of EKC International FZE in Dubai, UAE.

CP Industries Holdings, Inc. in USA falls under material subsidiary criteria under regulation 16(1)(c) of SEBI LODR Regulations, 2015, therefore the requirement of appointing one Independent Director on the board does not arise.

5. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the listing regulation.

6. Based on the declaration / confirmation made by the Directors, the Company has received a certificate from M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.
7. There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.
8. The total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part for the financial year 2019-20 is Rs. 60.50 Lakhs.
9. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Particulars	No. of Complaints
a. Number of complaints filed during the financial year	0
b. Number of complaints disposed of during the financial year	0
c. Number of complaints pending as on end of the financial year	0

10. Non-compliance of any requirement of corporate governance report of sub-para (2) to (10) above, with reasons thereof shall be disclosed – Not Applicable

7. Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of the SEBI LODR Regulations, 2015 except mentioned aforesaid. The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the SEBI LODR Regulations, 2015.

In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- The Company's financial statements are unqualified.
- The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- The Company has appointed separate persons to the post of Chairperson and Managing Director. The company does not have Chief Executive Officer.

8. CEO and CFO Certification

As the company does not have a CEO, the Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33.

Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

Code of Conduct

The Company has adopted the Code of Conduct for directors and senior management personnel. The Code has been circulated to all the members of Board and Senior Management Personnel and the same has been posted on the Company's website. The Board and Senior Management Personnel have affirmed their compliance with the Code and a declaration signed by the Managing Director of the Company is given below:

"It is hereby declared that the Company has obtained from all the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for the Directors and Senior Management of the Company for the year 2019-20".

9. Certificate on Corporate Governance

A Certificate from Practicing Company Secretaries, M/s. Aashish K. Bhatt & Associates, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

10. Disclosures with respect to demat suspense account/ unclaimed suspense account – Nil

11. Unclaimed Dividends

Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend accounts to the Investor Education and Protection Fund (IEPF) set up by Central Government. In accordance with the following schedule, the dividend for the years mentioned below, if remaining unclaimed within a period of seven years, will be transferred to IEPF:

Financial Year	Date of declaration of dividend	Dividend Per Share*	Due date for transfer to IEPF	Amount (₹)#
2011-12	August 11, 2012	0.25	September 15, 2019	135,561.50
2012-13	July 22, 2013	0.20	August 28, 2020	1,33,740.40
2013-14	N.A.	N.A.	N.A.	N.A.
2014-15	N.A.	N.A.	N.A.	N.A.
2015-16	N.A.	N.A.	N.A.	N.A.
2016-17	N.A.	N.A.	N.A.	N.A.
2017-18	N.A.	N.A.	N.A.	N.A.
2018-19	N.A.	N.A.	N.A.	N.A.
2019-20	N.A.	N.A.	N.A.	N.A.

* Share of paid - up value of ₹ 2 each.

Amount unclaimed as at March 31, 2020.

Communications were sent to Members who had not encashed their dividend warrants for shares to be transferred to IEPF account pertaining to the Financial Year 2012-13. The Requests received from the members were

duly paid off by the Company. Balance amount in the unclaimed dividend account for Financial Year 2012-13 was transferred to IEPF Account on August 28, 2020. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

12. Policy on Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time.

The Board has appointed the Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of Unpublished Price Sensitive Information in relation to the Company during certain prohibited periods.

13. Details of the Director seeking re-appointment at the forthcoming Annual General Meeting:

Mr. Puskhar Khurana, who was appointed as a Director liable to retire by rotation under the provisions of Companies Act, 2013 and being eligible, has offered himself for re-appointment.

14. The Company has complied with and has made adequate disclosures as required under Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations.

E. In line with the notification no. G.S.R. 352(E) dated May 10, 2012 from the Ministry of Corporate Affairs, the Company has uploaded on its website the information regarding the unpaid and unclaimed dividend as on the date of the last Annual General Meeting i.e. September 30, 2019 including the name and address of the shareholders who have not claimed the dividend, the amount to which the shareholders are entitled and the due date of transfer to Investor Education and Protection Fund Account.

ANNUAL CERTIFICATIONS

DECLARATION BY THE CEO* UNDER SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Schedule V of Regulation 34(3) & Regulation 53(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct as applicable to them for the Financial Year ended March 31, 2020.

* As the Company does not have a CEO, this Declaration has been given by the Managing Director of the Company.

For and on behalf of the Board

Mumbai
August 25, 2020

Puneet Khurana
Managing Director
DIN: 00004074

DISCLOSURE IN TERMS OF SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING PECUNIARY RELATIONSHIP

There are no pecuniary relationships or transactions of the Non - Executive Directors with the Company for the Financial Year ended March 31, 2020.

For and on behalf of the Board

Mumbai
August 25, 2020

Puneet Khurana
Managing Director
DIN: 00004074

DISCLOSURE IN TERMS OF SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING INTER-SE RELATIONSHIPS BETWEEN DIRECTORS

Mr. Pushkar Khurana (Chairman & Executive Director) & Mr. Puneet Khurana (Managing Director) are sons of Late Mr. Prem Kumar Khurana, the then Chairman and Managing Director of the Company and are related to each other as brothers.

Mr. Mohan Jayakar (resigned as Non - Executive Independent Director on April 16, 2019) was the uncle of Mrs. Uma Acharya.

Except the above, there are no inter-se relationships among the Directors.

For and on behalf of the Board

Mumbai
August 25, 2020

Puneet Khurana
Managing Director
DIN: 00004074

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members,
Everest Kanto Cylinder Limited**

We have examined the compliance of Corporate Governance by Everest Kanto Cylinder Limited ('the Company') for the year ended March 31, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the period from April 01, 2019 to March 31, 2020.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the management, we certify that the conditions of

Corporate Governance as stipulated in SEBI Listing Regulations were duly complied with by the company as on March 31, 2020.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Aashish K. Bhatt & Associates
Practising Company Secretaries
(ICSI Unique Code S2008MH100200)

Mumbai
August 25, 2020

Aashish Bhatt
Proprietor
ACS No.: 19639
UDIN: A019639B000611439

INDEPENDENT AUDITOR'S REPORT

To the Members of Everest Kanto Cylinder Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Everest Kanto Cylinder Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which is included the return for the year ended on that date audited by the branch auditor of the Company's branch located at United Arab Emirates.
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 16 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 ('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 we have obtained and that obtained by the branch auditor, in terms of their report referred to in paragraph 16 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 52 to the accompanying standalone financial statements 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 ₹ 8,942.27 lakhs, ₹ 1,355.41 lakhs, ₹ 42.28 lakhs and ₹ 2,297.23 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 statements. Accordingly, the accompanying standalone financial statements do not include any consequential adjustments with respect to such delays/defaults. Our report is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the report of the branch auditor as referred to in paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matter described below to be a key audit matter to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Recoverability of deferred tax assets The carrying value of deferred tax assets as at 31 March 2020 on carry forward losses, unabsorbed depreciation and Minimum Alternate Tax (MAT) credit as per Income-tax Act, 1961 of the Company is ₹ 6,791.45 lakhs, as disclosed in Note 8 to the accompanying standalone financial statements.	Our audit procedures in relation to the recoverability of deferred tax assets included, but were not limited to, the following: <ul style="list-style-type: none"> Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws;

Ind AS 12, 'Income Taxes', requires deferred tax assets to be recognised for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits, including the impact of COVID-19 pandemic, that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961.

We have considered it as a key audit matter, because of the amounts involved and significant management judgement in assessing the probability of generation of future taxable profits to utilise the recognised deferred tax assets.

- Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors;
- Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions;
- Tested the arithmetical accuracy of the calculations included in the management projections;
- Performed independent sensitivity analysis to test the impact of possible variations in key assumptions;
- Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, 'Income Taxes'; and
- Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements in respect of deferred tax assets in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The

Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 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 these standalone financial statements.
12. As part of an audit in accordance with 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 financial statements, 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 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 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 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent 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 standalone financial statements. 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 standalone financial statements, 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.

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial information of one branch included in the standalone financial statements of the Company whose financial information (before eliminating inter company balances / transactions) reflects total assets and net assets of ₹ 422 lakhs and ₹ 94 lakhs, respectively, as at 31 March 2020, and the 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 ended on that date, as considered in the standalone financial statements. This financial information has been audited by the branch auditor whose report has been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts

and disclosures included in respect of the branch, is based solely on the report of such branch auditor.

Our opinion on the standalone financial statements, and our report on other Legal and Regulatory Requirements below, are 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.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act, based on our audit, and on the consideration of the report of the branch auditor as referred to in paragraph 16 above, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, and on the consideration of the report of the branch auditor as referred to in paragraph 16 above, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;
 - c) the report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditor has been sent to us and have been properly dealt with by us in preparing this report;
 - d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;
 - e) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on

31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 16 above:
 - i. the Company, as detailed in Note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. following are the instances of delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Amount (₹ in lakhs)	Due Date	Date of payment
1.36	15 September 2019	20 February 2020

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 20042423AAAADT3474

Place : Mumbai

Date: 10 July 2020

Annexure A to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset ('property, plant and equipment').
- b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- c) The title deeds of all the immovable properties (which are included under Note 2 'Property, plant and equipment') are held in the name of the Company except for the following properties:

Nature of property	Total Number of Cases	Whether leasehold / freehold	Gross block as at 31 March 2020 (₹ in lakhs)	Net block as at 31 March 2020 (₹ in lakhs)
Land	Two	Leasehold	111.42	90.74

- ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- iii) The Company has granted unsecured loans to two subsidiary companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
 - a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
 - b) with respect to a loan given to a subsidiary, the schedule of repayment of principal and payment of interest has been stipulated wherein the principal and interest amounts are repayable on demand and since the repayment of such loan and payment of interest has not been demanded, in our opinion, repayment of the principal and payment of interest is regular; and

- with respect to a loan given to another subsidiary, the schedule of repayment of principal and payment of interest has been stipulated and repayment of the principal amount is regular, except for interest, wherein the receipt is not regular;
- c) there is no amount which is overdue for more than 90 days in respect of the principal amount of the loan granted. In our opinion, reasonable steps have been taken by the Company for the recovery of the interest amounting to ₹ 2,297.23 lakhs which is overdue for more than 90 days.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- b) The dues outstanding in respect of income-tax, sales-tax and value added tax on account of any dispute, are as follows:

Statement of Disputed dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid / adjusted under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	572.73	572.73	A.Y. 2009-10	Supreme Court of India
		120.96	120.96	A.Y. 2011-12	High Court of India
The Central Sales Tax Act, 1956	Central Sales Tax	2.38	-	F.Y. 2011-12	Joint Commissioner of Sales Tax (Appeals)
		7.13	-	F.Y. 2012-13	Joint Commissioner of Sales Tax (Appeals)
		4.41	-	F.Y. 2013-14	Joint Commissioner of Sales Tax (Appeals)
	Sales Tax (Lease Act)	21.05	7.36	F.Y. 1993-94 to F.Y. 1997-98	Joint Commissioner of Sales Tax (Appeals)
The Bombay Sales Tax Act, 1959	Bombay Sales Tax	26.11	-	F.Y. 2000-01	Maharashtra State Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	77.03	-	F.Y. 2009-10	Maharashtra State Tax Tribunal
		24.06	-	F.Y. 2010-11	Maharashtra State Tax Tribunal
		102.90	5.00	F.Y. 2011-12	Joint Commissioner of Sales Tax (Appeals)
		46.41	2.22	F.Y. 2012-13	Joint Commissioner of Sales Tax (Appeals)
		952.68	45.04	F.Y. 2013-14	Joint Commissioner of Sales Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 20042423AAAADT3474

Place : Mumbai

Date: 10 July 2020

Annexure B to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **Everest Kanto Cylinder Limited** ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 20042423AAAADT3474

Place : Mumbai

Date: 10 July 2020



STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

	Note No.	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
I. ASSETS			
1 Non-current assets			
Property, plant and equipment	2	19,443.98	20,001.49
Capital work-in-progress	3	1,504.98	778.48
Intangible assets	4	20.48	21.04
Financial assets			
Investments	5	2,474.35	2,449.54
Loans	6	208.94	205.11
Other financial assets	7	23.52	235.95
Deferred tax assets (net)	8	5,270.81	5,713.62
Current tax assets (net)		449.49	-
Other non - current assets	9	1,674.70	66.94
		<u>31,071.25</u>	<u>29,472.17</u>
2 Current assets			
Inventories	10	10,858.59	11,663.49
Financial assets			
Investments	11	7,300.64	7,303.63
Trade receivables	12	8,869.98	8,478.61
Cash and cash equivalents	13	527.51	130.98
Bank balances other than cash and cash equivalents	14	1,355.15	1,095.88
Loans	15	100.24	1,852.60
Other financial assets	16	375.36	291.49
Other current assets	17	1,615.04	5,388.35
		<u>31,002.51</u>	<u>36,205.03</u>
Assets classified as held for sale	18	1,834.94	1,834.94
TOTAL ASSETS		<u>63,908.70</u>	<u>67,512.14</u>
II. EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	19	2,244.15	2,244.15
Other equity	20	24,437.51	22,957.89
		<u>26,681.66</u>	<u>25,202.04</u>
2 Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	5,181.76	8,686.41
Other financial liabilities	22	273.64	-
Provisions	23	155.42	196.71
		<u>5,610.82</u>	<u>8883.12</u>
Current liabilities			
Financial liabilities			
Borrowings	24	6,615.06	7,137.12
Trade payables			
Total outstanding dues of micro and small enterprises	25	312.99	362.97
Total outstanding dues of creditors other than micro and small enterprises		12,510.39	15,285.01
Other financial liabilities	26	6,345.78	6,271.96
Other current liabilities	27	5,756.12	4,141.61
Provisions	28	75.88	85.47
Current tax liabilities (net)		-	142.84
		<u>31,616.22</u>	<u>33,426.98</u>
TOTAL EQUITY AND LIABILITIES		<u>63,908.70</u>	<u>67,512.14</u>
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these standalone financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

Standalone Balance Sheet

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

	Note No.	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
Revenue from operations	29	48,954.63	45,249.14
Other income	30	527.49	649.05
Total Income		49,482.12	45,898.19
Expenses:			
Cost of materials consumed	31	26,674.07	24,547.53
Purchases of stock-in-trade	32	1,757.93	1,236.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	897.39	633.24
Employee benefits expense	34	2,417.51	2,257.20
Finance costs	35	2,628.33	2,614.07
Depreciation and amortisation	2,4	2,288.41	1,311.97
Other expenses	36	9,540.53	9,259.37
Total Expenses		46,204.17	41,859.97
Profit / (Loss) before foreign exchange variation gain / (loss), exceptional items and tax		3,277.95	4,038.22
Foreign exchange variation gain / (loss)		(569.57)	519.97
Profit / (Loss) before exceptional items and tax		2,708.38	4,558.19
Exceptional items gain / (loss) (net)	37	(112.48)	(504.82)
Profit / (Loss) before tax		2,595.90	4,053.37
Tax expense / (credit)	38		
Current tax		499.03	1,008.12
Deferred tax		506.00	(5,707.31)
		1,005.03	(4,699.19)
Profit after tax		1,590.87	8,752.56
Other comprehensive income / (loss)	39		
Items that will not be reclassified to profit or loss			
i) Measurements of defined employee benefit plans		(1.31)	(18.04)
ii) Changes in fair value of fair value through other comprehensive income equity measurements		18.98	(126.98)
iii) Income tax relating to these items		(3.95)	(35.51)
Total other comprehensive income / (loss) (net of tax)		13.72	(180.53)
Total comprehensive income for the year		1,604.59	8,572.03
Earnings per equity share	48		
Basic and diluted (in ₹)		1.42	7.80
Face value per share (in ₹)		2.00	2.00
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these standalone financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Equity share capital

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2018		112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2019	19	112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2020		112,207,682	2,244.15

Other equity

(₹ in lakhs)

	Reserves and surplus				Total
	Securities premium	General reserve	Retained earnings	Fair value through other comprehensive income - Equity investments	
Opening balance as at 01 April 2018	24,789.64	7,491.00	(18,297.36)	402.58	14,385.86
Transactions during the year					
Net profit for the year	-	-	8,752.56	-	8,752.56
Other comprehensive income / (loss) for the year	-	-	(11.74)	(168.79)	(180.53)
Closing balance as at 31 March 2019	24,789.64	7,491.00	(9,556.54)	233.79	22,957.89
Transactions during the year					
Transitional adjustment on adoption of Ind AS 116, 'Leases' (net of tax) (Refer note 50)	-	-	(124.97)	-	(124.97)
Net profit for the year	-	-	1,590.87	-	1,590.87
Other comprehensive income / (loss) for the year	-	-	(1.31)	15.03	13.72
Closing balance as at 31 March 2020	24,789.64	7,491.00	(8,091.95)	248.82	24,437.51

The accompanying notes are an integral part of these standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

STANDALONE CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
A. Cash flow from operating activities		
Profit before tax	2,595.90	4,053.37
Adjustments for :		
Excess provision written back	(32.66)	(101.05)
Bad debts / advances written off	84.61	137.11
Liabilities no longer required written back	(150.51)	(76.33)
Provision for doubtful debts	230.06	149.22
Excess provision written back of inventories	(258.94)	(98.46)
Unrealised foreign exchange loss	829.49	196.90
Depreciation and amortisation	2,288.41	1,311.97
Impairment of property, plant and equipment	-	1,306.05
Reversal of diminution in value of investment	-	(3,000.00)
Provision for doubtful loan	371.42	73.00
Provision towards doubtful interest receivable	-	2,297.23
Profit on sale of property, plant and equipment (net)	(2.95)	(2.25)
Fair valuation of financial guarantee	(5.83)	(7.47)
Interest income	(203.96)	(284.54)
Finance costs	2,628.33	2,614.07
Operating profit before working capital changes	8,373.37	8,568.82
Adjustment for movements in:		
Decrease / (Increase) in inventories	1,063.84	(881.25)
Decrease / (Increase) in trade and other receivables	(240.73)	(5,861.92)
(Decrease) / Increase in trade and other payables	1,404.01	3,305.15
Operating profit after working capital changes	10,600.49	5,130.80
Direct taxes paid (net of refunds)	(975.00)	(254.28)
Net cash generated from operating activities	9,625.49	4,876.52
B. Cash flow from investing activities		
<i>Inflow:</i>		
Interest income received	250.50	200.00
Fixed deposits matured	-	127.15
Sale proceeds of property, plant and equipment	9.09	19.80
Sale proceeds of current investments (net)	2.99	-
Advance received against sale of property, plant and equipment	-	1,328.00
Repayment of inter-corporate deposit	1,212.00	171.48
	1,474.58	1,846.43
<i>Outflow:</i>		
Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	3,732.42	1,724.48
Refund of excess advance received against sale of property, plant and equipment	15.37	-
Fixed deposits placed	48.20	-
	3,795.99	1,724.48
Net cash (used in) / generated from investing activities	(2,321.41)	121.95

STANDALONE CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
C. Cash flow from financing activities		
Inflow:		
Proceeds from current borrowings (net)	-	31.91
Proceeds from non-current borrowings	401.00	1,285.25
	<u>401.00</u>	<u>1,317.16</u>
Outflow:		
Repayment of non-current borrowings	4,136.00	3,800.11
Repayment of current borrowings (net)	583.70	-
Finance costs paid	2,370.49	2,622.54
Finance costs on lease obligations paid	62.14	-
Repayment of lease obligations	154.86	-
Unclaimed dividend	1.36	3.81
	<u>7,308.55</u>	<u>6,426.46</u>
	<u>(6,907.55)</u>	<u>(5,109.30)</u>
Net cash used in financing activities		
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>396.53</u>	<u>(110.83)</u>
Add: Cash and cash equivalents at the beginning of the year	130.98	241.81
Cash and cash equivalents at the end of the year (refer note 13)	527.51	130.98
Cash and cash equivalents comprises of the following:		
Cash on hand	64.38	25.75
Balances with banks	463.13	105.23

Notes:

- Figures in brackets represent cash outflow.
- The above Standalone Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, Cash Flow Statement.

This is the Cash Flows Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No: 042423

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489

Sanjiv Kapur
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Puneet Khurana
Managing Director
DIN: 00004074

Bhagyashree Kanekar
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1:

Significant accounting policies and other explanatory information**a) Company information**

Everest Kanto Cylinder Limited ('the Company') is a listed company domiciled and incorporated in India in 1978. The registered and corporate office of the Company is situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai – 400 021, Maharashtra, India. The Company is engaged in the manufacture of high pressure seamless gas cylinders and other cylinders, equipments, appliances and tanks with their parts and accessories used for containing and storage of natural gases and other gases, liquids and air. Further, the Company is engaged in the trading of fire equipment and castor oil.

b) Basis of preparation**i) Compliance with Ind AS**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act. The financial statements were authorised for issue by the Board of Directors of the Company on 10 July 2020.

ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale – measured at lower of carrying amount or fair value less cost to sell; and
- 3) Defined benefit plans - plan assets measured at fair value.

iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

iv) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to two decimals of the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

c) Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27, 'Separate Financial Statements', except where investments accounted

for at cost shall be accounted for in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale.

d) Foreign Currency Transactions and Translations**(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Standalone Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated thereafter.

e) Revenue Recognition

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Company in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted to discounts and returns, etc., if any.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products are recognised at a time on which the performance obligation is satisfied.

Recognition in case of local sales is generally recognised on the dispatch of goods. Revenue from export sales is generally recognised on the basis of the dates of 'On Board Bill of Lading'. The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

f) Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in Standalone Statement of Profit or Loss only when the right to receive payment is established.

g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset

is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee

At lease commencement date, the Company recognises a right-of-use assets and a lease liabilities on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exists.

At the commencement date of lease, the Company measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Standalone Statement of Profit and Loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, 'Leases'. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Standalone

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Statement of Profit and Loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

As a lessor

Leases for which the Company is a lessor classified as finance or operating lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

i) Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the Standalone Statement of Profit and Loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

j) Cash and cash equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Inventories

- i. Raw Materials and components, Work-in-progress, Finished goods, Stock-in-trade are valued at lower of cost and net realisable value.
- ii. Goods in transit are valued at cost to date.
- iii. 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is 'First In First Out'.

- iv. Inter-unit transfers are valued either at works or factory costs of the transferor unit.
- v. Stores and spares, excluding certain gases are charged to Standalone Statement of Profit or Loss during the reporting period in which they are purchased.

l) Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Standalone Statement of Profit or Loss or Other comprehensive income / (loss). For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the Standalone Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company measures its equity investment other than in subsidiaries at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

n) Property plant and equipment (including Capital work-in-progress)

All items of property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation / Amortisation:

- i. Cost of Leasehold land is amortised over the primary period of the lease.
- ii. Depreciation on the assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Act, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the asset has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and equipment: 8 to 30 years

Gas cylinders: 25 years

Significant components of each of the individual assets are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset.

- iii. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or upto the date of such sale/disposal as the case may be.

o) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

and are recognised in the Standalone Statement of Profit and Loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with carrying value of all its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

p) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Standalone Statement of Profit or Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Standalone Statement of Profit or Loss in the period in which they are incurred.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the standalone financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

s) Employee Benefits

A) Short term employee benefits: All employee benefits which are due within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B) Post-employment benefits

i. Defined Contribution Plans: Company's contribution to the state governed provident fund scheme, Employees State Insurance corporation (ESIC), etc. are recognised during the year in which the related service is rendered.

ii. Gratuity: The Company has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on Projected Unit Credit Method and the charge for current year is debited to the Standalone Statement of Profit and Loss. Actuarial gains and losses arising on the measurement / remeasurement of defined benefit obligation is charged / credited to Other comprehensive income / (loss). In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

iii. Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Standalone Statement of Profit and Loss in the year in which they arise.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- c) Termination Benefits:** These are recognised as an expense in the Standalone Statement of Profit and Loss of the year in which they are incurred.
- t) Earnings per share**
Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income / (loss)] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income / (loss)) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- u) Asset classified as held for sale**
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.
An impairment loss is recognised for any initial recognition or subsequent written down of the assets to the fair value less cost to sell of an asset. A gain is recognised for any subsequent increase in the fair value less cost to sell of an asset but not in excess of cumulative impairment loss previously recognised.
Non-current assets are not depreciated or amortised while they are classified as held for sale.
Assets held for sale are presented separately from the other assets in the Standalone Balance Sheet.
- v) Operating Cycle**
Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.
- w) Contributed equity**
Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
- x) Exceptional items**
When items of income and expense within Standalone Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.
- y) Standards issued but not effective**
There are no standards that are issued but not yet effective on 31st March 2020.
- z) Critical estimates and judgements**
The preparation of standalone financial statements in conformity with Ind AS requires estimates and assumptions to be made by the management of the Company that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.
The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.
This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.
- (i) Estimation of provision for inventory - refer note 10
 - (ii) Estimated useful life of property, plant and equipment and intangible assets – refer notes 2, 3 and 4
 - (iii) Impairment of carrying value of property, plant and equipment – refer note 2
 - (iv) Recoverable value of investments in subsidiaries – refer note 11
 - (v) Fair value less cost to sell for assets classified as held for sale – refer note 18
 - (vi) Estimation of current tax expenses and recognition of deferred tax assets on brought forward losses, unabsorbed depreciation, minimum alternate tax credit and other temporary differences - refer note 38
 - (vii) Probable outcome of matters included under Contingent Liabilities - refer note 44
 - (viii) Provision for doubtful debts / loans - refer note 6, 12, 15
 - (ix) Estimation of Defined benefit obligation - refer note 45
 - (x) Estimated fair value of investments in Everest Kanto Investment and Finance Private Limited - Refer note 40
 - (xi) Leases – Estimating the incremental borrowing rate - Refer note no. 1 (h)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2 Property, plant and equipment

												Right to Use Assets		(₹ in lakhs)	Note 3: Capital work in progress
	Freehold land	Leasehold land [Refer note (i) below]	Buildings [Refer note (ii) below]	Plant and equipment	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equipment	Com-puters	Gas Cylinders	Gas Cylinders on lease	Electrical Installations	Leasehold land [Refer note (i) below]	Buildings	Total	
Gross carrying amount															
Balance at 1 April 2018	232.60	266.97	8,178.76	28,828.04	300.31	280.27	217.10	796.64	563.80	-	589.16	-	-	40,253.65	
Additions/Transfer of assets [Refer note 31 and note (v) below]	-	-	1,259.81	297.32	9.74	152.65	18.94	11.25	-	193.49	14.65	-	-	1,957.85	
Disposals	-	-	11.38	0.01	-	8.38	1.72	1.16	-	-	-	-	-	22.65	
Balance at 31 March 2019	232.60	266.97	9,427.19	29,125.35	310.05	424.54	234.32	806.73	563.80	193.49	603.81	-	-	42,188.85	
Reclassified on account of adoption of Ind AS 116, 'Leases' (Refer note 50)	-	266.97	-	-	-	-	-	-	-	-	-	266.97	-	-	
Transition impact on account of adoption of Ind AS 116, 'Leases' (Refer note 50)	-	-	-	-	-	-	-	-	-	-	-	-	398.89	398.89	
Additions/Transfer of assets (Refer note 31)	-	-	812.58	297.51	7.59	35.68	9.64	21.20	-	95.34	45.16	-	11.71	1,336.41	
Disposals	-	-	-	-	-	12.00	-	-	-	-	-	-	-	12.00	
Balance at 31 March 2020	232.60	-	10,239.77	29,422.86	317.64	448.22	243.96	827.93	563.80	288.83	648.97	266.97	410.60	43,912.15	
Accumulated depreciation															
Balance as at 1 April 2018	-	166.48	2,110.56	15,353.09	212.86	107.68	181.73	745.30	315.36	-	382.19	-	-	19,575.25	
Depreciation charge for the year	-	1.29	185.71	989.92	13.37	35.47	8.14	8.47	12.04	2.98	53.77	-	-	1,311.16	
Impairment [Refer note (iv) below]	-	-	-	1,306.05	-	-	-	-	-	-	-	-	-	1,306.05	
On disposals/transfer of assets	-	-	1.61	-	-	2.86	0.47	0.16	-	-	-	-	-	5.10	
Balance as at 31 March 2019	-	167.77	2,294.66	17,649.06	226.23	140.29	189.40	753.61	327.40	2.98	435.96	-	-	22,187.36	
Reclassified on account of adoption of Ind AS 116, 'Leases' (Refer note 50)	-	167.77	-	-	-	-	-	-	-	-	-	167.77	-	-	
Depreciation charge for the year	-	-	294.97	1,720.46	11.69	46.07	11.33	10.42	11.97	9.72	38.89	1.29	129.86	2,286.67	
On disposals	-	-	-	-	-	5.86	-	-	-	-	-	-	-	5.86	
Balance as at 31 March 2020	-	-	2,589.63	19,369.52	237.92	180.50	200.73	764.03	339.37	12.70	474.85	169.06	129.86	24,468.17	
Net carrying amount															
As at 31 March 2019	232.60	99.20	7,132.53	11,476.29	83.82	284.25	44.92	53.12	236.40	190.51	167.85	-	-	20,001.49	778.48
As at 31 March 2020	232.60	-	7,650.14	10,053.34	79.72	267.72	43.23	63.90	224.43	276.13	174.12	97.91	280.74	19,443.98	1,504.98

Notes :

- Execution of lease deed is pending for two land parcels acquired at Tarapur Plant of the aggregating ₹ 111.42 lakhs (31 March 2019: ₹ 111.42 lakhs).
- Includes ₹ 750 (31 March 2019: ₹ 750) paid for shares acquired in co-operative societies.
- Includes vehicles in the personal name of directors having gross carrying amount of ₹ 100 lakhs and net carrying amount of ₹ 40.56 lakhs [(31 March 2019 ₹ 112 lakhs and net carrying amount of ₹ 58.76 lakhs)].
- The assets of the Company include certain property, plant and equipment having net carrying amount of ₹ 4,500.29 lakhs as at 31 March 2020 [₹ 6,890.65 lakhs (before impairment) as at 31 March 2019] which have remained idle for a considerable period due to contraction in demand. Accordingly, management has performed impairment test on these assets and have recorded an impairment provision of ₹ Nil (₹ 1,306.05 lakhs during the year ended 31 March 2019). Recoverable amount of the asset is derived by reducing cost of disposal from fair value.
Details of valuation-
 - Level of the fair value hierarchy – Level 3.
 - Description of the valuation technique – Cost approach.
 - Key assumptions – Salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.
- During the year ended 31 March 2019, office premises at Mumbai having book value ₹ 1,235.68 lakhs has been transferred from 'Assets classified as held for sale' to Property, plant and equipment, as the same is being now used by the Company for business purposes.
- Disclosure of contractual commitments for the acquisition of property, plant and equipment [Refer note 44(e)].
- Information on property, plant and equipment pledged as security by the Company (Refer note 49).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
4 Intangible assets (₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 2018	246.01	246.01
Additions	8.61	8.61
Disposals	-	-
Balance as at 31 March 2019	254.62	254.62
Additions	1.18	1.18
Disposals	-	-
Balance at 31 March 2020	255.80	255.80
Accumulated amortisation		
Balance as at 1 April 2018	232.77	232.77

	Computer Software	Total
Amortisation charge for the year	0.81	0.81
On disposals	-	-
Balance as at 31 March 2019	233.58	233.58
Amortisation charge for the year	1.74	1.74
On disposals	-	-
Balance as at 31 March 2020	235.32	235.32
Net carrying amount		
As at 31 March 2019	21.04	21.04
As at 31 March 2020	20.48	20.48

5 Non-current investments (₹ in lakhs)

	Face value of shares	Fully paid / partly paid	As at 31 March 2020		As at 31 March 2019	
			Quantity (Number)	₹ in lakhs	Quantity (Number)	₹ in lakhs
Investment in equity shares						
(i) Investments in foreign subsidiaries (Unquoted - measured at cost)						
EKC International FZE	AED 1	Fully paid	16,203,619	1,993.27	16,203,619	1,993.27
EKC International FZE (including deemed investment)	AED 1,000,000	Fully paid	1	169.62	1	163.79
(ii) Investments in indian subsidiaries (Unquoted - measured at cost)						
EKC Positron Gas Ltd	INR 10	Fully paid	36,325	3.63	36,325	3.63
Next Gen Cylinder Private Limited	INR 10	Fully paid	100,000	10.00	100,000	10.00
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (i) below]	INR 10	Fully paid	1,606,950	238.88	1,606,950	238.88
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (i) below]	INR 10	Partly paid (₹ 6 / share)	3,214,000	192.84	3,214,000	192.84
Less: Provision for impairment in value of investment				(431.72)		(431.72)
(iii) Equity investments measured at fair value through other comprehensive income (Unquoted)						
Everest Kanto Investment & Finance Private Limited	INR 10	Fully paid	115,000	288.27	115,000	269.29
GPT Steel Industries Private Limited	INR 10	Fully paid	2,000,000	-	2,000,000	-
Tarapur Environment Protection Society	INR 100	Fully paid	5,852	9.56	5,852	9.56
Total investments in equity shares				2,474.35		2,449.54
Total non-current investments				2,474.35		2,449.54
Aggregate amount of unquoted investments				2,474.35		2,449.54
Aggregate amount of impairment in value of investments				431.72		431.72

Notes :

- As at 31 March 2020, the Company is holding a majority stake of ₹ 431.72 lakhs (₹ 431.72 lakhs as at 31 March 2019) in its subsidiary, Calcutta Compressions and Liquefaction Engineering Limited (CC&L). Further, the Company has trade receivables and loan, aggregating ₹ 1,139.25 lakhs (31 March 2019: ₹ 1,118.04 lakhs) due from it. The net worth of CC&L has fully eroded. During the year ended 31 March 2020, provision of ₹ 371.42 lakhs (31 March 2018: ₹ 73 lakhs) towards loan has been made on management's assessment of the recoverable value of the loan. This provision has been disclosed in 'Note 37 - Exceptional items gain / (loss) (net)'. Further, recognition of interest income of ₹ 62.94 lakhs for the year ended 31 March 2020 (₹ 69.93 lakhs for the year ended 31 March 2019) in respect of the aforesaid loan has been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts. Refer notes 15 and 43.
- Refer note 40 for information about fair value measurement, credit risk and market risk of investments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
6 Non-current loans		
Unsecured considered good, unless otherwise stated		
Security deposits		
- Considered good	208.94	205.11
- Significant increase in credit risk	-	-
- Considered credit impaired	239.00	254.00
Less : Impairment allowance		
- Credit impaired	(239.00)	(254.00)
Total	208.94	205.11
Refer note 41 for information about credit risk and market risk for loans.		
7 Other non-current financial assets		
Unsecured, considered good		
Deposits maturing over 12 months*	23.52	235.95
Total	23.52	235.95
*Margin money against bank guarantees availed from bank.		
8 Deferred tax assets (net)		
Deferred tax liability on account of :		
Depreciation and amortisation	3,470.77	3,744.06
Financial liabilities measured at amortised cost	7.10	21.29
Financial assets measured at fair value through other comprehensive income	3.95	-
	3,481.82	3,765.35
Deferred tax assets on account of :		
Provision for doubtful debts / deposits / advances / other receivables, etc.	1,809.76	1,714.02
Provision for employee benefits	85.09	90.60
Provision for sales returns	7.89	7.90
Transition impact on account of adoption of Ind AS 116, 'Leases' (Refer note 50)	58.44	-
Unabsorbed depreciation as per tax laws	1,358.37	1,358.37
Carried forward business losses as per tax laws	3,465.84	4,875.65
Minimum alternate tax credit entitlement	1,967.24	1,432.43
	8,752.63	9,478.97
Total	5,270.81	5,713.62
Also refer note 38(B).		
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 standalone statement of profit and loss for the year ended 31 March 2019 included deferred tax credit of ₹ 5,707.31 lakhs recognised on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.		
9 Other non-current assets		
Capital advances	1,659.69	51.93
Deposits with government authorities	15.01	15.01
Total	1,674.70	66.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
10 Inventories		
Raw materials and components	4,413.40	5,539.18
Raw materials and components - in transit	963.60	-
Less: Provision for diminution in value*	(309.17)	(568.11)
Work-in-progress	3,139.02	5,130.95
Less: Provision for diminution in value*	(232.07)	(232.07)
Finished goods	1,695.81	1,500.84
Finished goods - In transit	963.00	177.68
Stock-in-trade	195.36	81.11
Stores and spares	29.64	33.91
Total	10,858.59	11,663.49
* Refer note 37		
11 Current investments		
Investment in equity shares of subsidiaries - Unquoted, fully paid and measured at cost		
EKC Industries (Thailand) Co., Ltd [Refer note (i) below] [100,000 shares (31 March 2019: 100,000 shares) of the face value THB 1,000 each]	1,503.77	1,503.77
EKC Industries (Tianjin) Co., Ltd [Refer notes (ii) and (iii) below] [19,939,320 shares (31 March 2019: 19,939,320 shares) of the face value USD 1 each]	5,796.87	5,796.87
Investment in Mutual Funds - quoted (measured at fair value through profit and loss)		
LIC Liquid Fund - Dividend Plan - Nil units (31 March 2019: 163.72 units)	-	1.80
UTI Liquid Fund - Cash Plan Institutional - Daily Income - Nil units (31 March 2019: 116.72 units)	-	1.19
Total	7,300.64	7,303.63
Aggregate amount of quoted investments and market value thereof	-	2.99
Aggregate amount of unquoted investments	7,300.64	7,300.64
Aggregate amount for impairment in value of investments		

Note :

- i) During the year ended 31 March 2019, the Company had decided to wind up the business operations of EKC Industries (Thailand) Co., Ltd, a wholly owned subsidiary of the Company. The winding up would be completed post completion of requisite regulatory formalities in India and Thailand. Accordingly, investment in shares of EKC Industries (Thailand) Co., Ltd have been classified as current investments.
- ii) During the year ended 31 March 2019, the Company along with EKC International FZE (UAE subsidiary) (collectively referred to as the 'sellers') had entered into an agreement to sell its entire stake in EKC Industries (Tianjin) Co., Ltd (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 China subsidiary. Refer note 37.
- iii) The Company and UAE subsidiary in earlier years had advanced loans to China subsidiary. During the year ended 31 March 2019, pursuant to approval from Commerce Bureau, Tianjin, China these loans had been converted into equity shares of the China subsidiary. Accordingly, during the year ended 31 March 2019, the Company had received fresh equity share investments in China subsidiary on conversion of loans aggregating to ₹ 2,371.80 lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
12 Trade receivables (current)		
Trade receivables (Refer note 52)	8,694.28	8,089.06
Receivables from related parties (Refer notes 43 and 52)	1,065.16	1,107.41
Less : Provision for doubtful debts	(889.46)	(717.86)
Total	8,869.98	8,478.61
Break up of trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	8,918.14	8,519.18
- Significant increase in credit risk	-	-
- Credit impaired	841.30	677.29
Less : Impairment allowance		
- Allowance for expected credit loss	(48.16)	(40.57)
- Credit impaired	(841.30)	(677.29)
Total	8,869.98	8,478.61
Refer note 41 for information about credit risk and market risk of trade receivables.		
13 Cash and cash equivalents		
Balances with banks		
- In current accounts	419.22	95.99
- In EEFC accounts	43.91	9.24
Cash on hand	64.38	25.75
Total	527.51	130.98
There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.		
14 Bank balances other than cash and cash equivalents		
Margin money against guarantees and working capital facilities	1,097.54	850.82
Deposits with maturity of more than 3 months but less than 12 months	-	1.87
Margin money against letter of credit	256.24	240.46
Earmarked balances - unpaid dividend accounts	1.37	2.73
Total	1,355.15	1,095.88
15 Current loans		
Unsecured considered good, unless otherwise stated		
Inter-corporate deposit	66.91	1,450.36
Loans to related parties		
- Considered good [Refer note 5(i)]	-	371.42
- Significant increase in credit risk	-	-
- Considered credit impaired [Refer notes 5(i) and 43 and note (i) below]	2,879.96	2,508.54
Less : Impairment allowance		
- Credit impaired	(2,879.96)	(2,508.54)
Security deposits	12.91	14.91
Others	20.42	15.91
Total	100.24	1,852.60
Refer note 41 for information about credit risk and market risk for loans		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Notes :		
(i) During the year ended 31 March 2019, the Company had filed an application with Reserve Bank of India (RBI) seeking permission for write-off of interest receivable aggregating ₹ 2,297.23 lakhs on loans advanced to EKC Industries (Tianjin) Co., Ltd. Pending RBI approval, a provision of equivalent amount had been made and disclosed in Note 37 - Exceptional items gain / (loss) (net). During the current year, the company received approval for write-off of interest receivable subject to certain terms and conditions. The company is in the process of complying with these terms and conditions specified in the approval provided by RBI.		
(ii) Disclosure as per Section 186 of the Companies Act, 2013		
a) Hubtown Limited		
Balance as at the year end	66.91	1,450.36
Maximum amount outstanding at any time during the year	1,450.36	1,530.81
[The loan has been provided for working capital requirements and business purposes (rate of interest - 15% p.a.)]		
(b) EKC Industries (Tianjin) Co., Ltd		
Balance as at the year end	2,297.23	2,297.23
Maximum amount outstanding at any time during the year	2,297.23	4,669.03
[The loan has been provided for working capital requirements and capital expenditure (rate of interest - 7.50% p.a.)]		
(c) Calcutta Compressions and Liquefaction Engineering Limited		
Balance as at the year end	582.73	582.73
Maximum amount outstanding at any time during the year	582.73	582.73
[The loan has been provided for working capital requirements (rate of interest - 12% p.a.)]		
16 Other current financial assets		
Unsecured, considered good		
Advances and deposits recoverable*	314.99	241.66
Interest receivable:		
- Banks	55.69	45.11
- Others	4.68	4.72
Total	375.36	291.49
*Includes ₹ 10 lakhs (31 March 2019: ₹ 10 lakhs), a security deposit to a private company in which directors are directors / members.		
17 Other current assets		
Advances other than capital advances		
- Advances paid to suppliers [Includes advances paid to subsidiaries ₹ 4.64 lakhs (31 March 2019 : ₹ 3,787.36 lakhs)] [Refer note 43]	1,139.43	5,109.77
- Prepaid expenses	66.40	50.75
- Other advances	289.52	101.31
Balance with statutory authorities	81.24	88.02
Right to receive inventory	38.45	38.50
Total	1,615.04	5,388.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
18 Assets classified as held for sale		
Freehold land [Refer note (i) below]	273.85	273.85
Capital work-in-progress [Refer note (ii) below]	1,548.48	1,548.48
Buildings [Refer note (iii) below]	12.61	12.61
Total	1,834.94	1,834.94

Notes :

- (i) During the year ended 31 March 2017, the Company had entered into an agreement towards sale of agricultural land (the "Specified Assets"), situated at Gandhidham. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, the agricultural land has been continued as 'Assets classified as held for sale'. The sales consideration and carrying value of the agricultural land is USD 4 Million and ₹ 273.85 lakhs (31 March 2019: ₹ 273.85 lakhs), respectively. An amount of USD 2 Million received during the year ended 31 March 2017 as an advance against the said agricultural land has been included in Note 27 - 'Other current liabilities'.
- (ii) Pursuant to the decision of the Company to sell certain items of plant and equipment forming part of Capital work-in-progress, the same has been considered as 'Assets classified as held for sale'. The carrying value of these assets are measured at the lower of its carrying amount and fair value less costs to sell.
- (iii) As at 31st March, 2020, 'Assets classified as held for sale' include premises at Mumbai having book value ₹ 12.61 lakhs (₹ 12.61 lakhs as at 31 March 2019), pursuant to the decision of the Company to dispose off the same. An amount of ₹ 1,412.63 lakhs (31 March 2019 : ₹ 1,428 lakhs) received as advance against the proposed sale of aforesaid premises has been included in Note 27 - 'Other current liabilities'.
- (iv) "Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

The fair value of the land has been determined based on contractual rate agreed with the buyer. The fair value of the building was determined based on valuation report by independent valuer. The key inputs under this approach are price per square meter of comparable lots of building in the area of similar location and size. Fair value of Capital work-in-progress has been derived using cost approach wherein key assumptions used are salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.

The fair valuation has been categorised under Level 3 of the fair value hierarchy.

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
19 Equity share capital		
Authorised:		
125,000,000 equity shares (31 March 2019 : 125,000,000) of ₹ 2 each	2,500.00	2,500.00
Total	2,500.00	2,500.00
Issued, subscribed and paid-up:		
112,207,682 equity shares (31 March 2019 : 112,207,682) of ₹ 2 each fully paid up	2,244.15	2,244.15
Total	2,244.15	2,244.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	2019-20		2018-19	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	112,207,682	2,244.15	112,207,682	2,244.15
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	112,207,682	2,244.15	112,207,682	2,244.15

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

(iii) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Khurana Gases Private Limited	17,818,629	15.88	17,818,629	15.88
Ms. Suman Khurana	15,585,749	13.89	15,303,525	13.64
Mr. Prem Kumar Khurana*	17,018,000	15.17	17,018,000	15.17
Mr. Pushkar Khurana	7,503,973	6.69	7,503,973	6.69
Mr. Puneet Khurana	8,207,088	7.31	7,957,933	7.09

* including his estate, effects, heirs, legal representatives and assigns, as applicable.

(iv) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2020.

20 Other equity

(₹ in lakhs)

	Reserves and surplus				Total
	Securities premium	General reserve	Retained earnings	Fair value through other comprehensive income - Equity investments	
Opening balance as at 1 April 2018	24,789.64	7,491.00	(18,297.36)	402.58	14,385.86
Transactions during the year					
Net profit for the year	-	-	8,752.56	-	8,752.56
Other comprehensive income / (loss) for the year	-	-	(11.74)	(168.79)	(180.53)
Closing balance as at 31 March 2019	24,789.64	7,491.00	(9,556.54)	233.79	22,957.89
Transactions during the year					
Transitional adjustment on adoption of Ind AS 116, 'Leases' (net of tax) (Refer note 50)	-	-	(124.97)	-	(124.97)
Net profit for the year	-	-	1,590.87	-	1,590.87
Other comprehensive income / (loss) for the year	-	-	(1.31)	15.03	13.72
Closing balance as at 31 March 2020	24,789.64	7,491.00	(8,091.95)	248.82	24,437.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Nature and purpose of reserves		
i) Securities premium		
Securities premium is created due to premium on issues of shares. This reserve is utilised in accordance with the provisions of the Act.		
ii) General reserve		
The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.		
iii) Retained earnings		
Retained earnings pertain to the accumulated earnings / losses made by the Company over the years.		
iv) Fair value through other comprehensive income - Equity investments		
The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.		
21 Non-current borrowings		
Secured		
Term loans from banks		
Indian rupee loan [Refer note (i) below]	-	3,746.81
Vehicle loans from bank and financial institutions [Refer note ii below]	90.46	109.24
	<u>90.46</u>	<u>3,856.05</u>
Unsecured		
Sales tax deferment loan [Refer note (iii) below]	-	285.58
Loans from related parties [Refer note (iv) below]	5,091.30	4,544.78
	<u>5,091.30</u>	<u>4,830.36</u>
Total	<u>5,181.76</u>	<u>8,686.41</u>
Refer note 41 for liquidity risk and note 49 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.		

Notes :

- (i) Indian rupee term loan from a bank is secured by way of (a) first pari passu charge on the property, plant and equipment of the Company, excluding specific immovable properties (b) second pari passu charge on the current assets of the Company (c) pledge of 29.99% of the shares of the Company held by the promoters* (d) unconditional and irrevocable personal guarantees from three promoter directors* (e) exclusive charge on certain residential and commercial immovable properties owned by the Company, promoters* and group companies. The loan is repayable in three quarterly instalments starting from July 2020 with the last instalment falling due in January 2021. The interest rate of the borrowing is YBL 1Y MCLR + 2.30% i.e. 12% per annum.
- (ii) Vehicle loan from a bank, balance outstanding ₹ 9.18 lakhs (31 March 2019: ₹ 11.84 lakhs) is repayable in 60 instalments with the last instalment falling due in February 2023. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 8.35% per annum. Vehicle loan from a financial institution, balance outstanding ₹ 100.08 lakhs (31 March 2019: ₹ 114.21 lakhs) is repayable in 48 monthly instalments starting from November 2018 with the last instalment falling due in October 2022. This loan is secured by hypothecation of underlying vehicle and had a fixed rate of interest of 11.75% per annum. Vehicle loan from another financial institution, balance outstanding ₹ Nil (31 March 2019: ₹ 0.43 lakhs) is repaid in April 2019. The fixed rate of interest was 10.83% per annum of date of repayment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
(iii) There was no repayment schedule for the sales tax deferment loan. The loan has been repaid during the year ended 31 March 2020.		
(iv) Unsecured loans from related parties are repayable on demand and carry interest rate of 12% per annum. However, as per the terms of the loans, except for an amount of ₹ 102 lakhs (March 2019: ₹ 350 lakhs), repayment of loans cannot be demanded before 1 April 2021.		
* including their estate, effects, heirs, legal representatives and assigns, as applicable.		
22 Other non-current financial liabilities		
Lease liabilities (Also refer note 50)	273.64	-
Total	273.64	-
23 Non-current provisions		
Provision for employee benefits		
- Compensated absences	77.45	80.68
- Gratuity (funded) (Refer note 45)	77.97	116.03
Total	155.42	196.71
24 Current borrowings		
Secured		
Working capital facilities from banks	6,301.19	7,137.12
Unsecured		
Loan from others	313.87	-
Total	6,615.06	7,137.12
Refer note 49 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.		

Notes :

- (i) Working capital facilities from banks are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on the property, plant and equipment (excluding specific property, plant and equipment) of the Company. Working capital facility from one bank has been secured by personal guarantees from two promoter directors and exclusive charge on specific immovable property and fixed deposits aggregating ₹ 500 lakhs of the Company. Working capital facility from another bank has been secured by cross collateralization charge with Indian rupee term loan on certain residential and commercial immovable properties owned by the Company, promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies. Further, working capital facility from another bank is secured by exclusive charge on specific immovable property of the Company. The interest rate of the working capital facilities ranges from 11.85% per annum to 14.30% per annum as at year end.
- (ii) Loan from others, balance outstanding ₹ 313.87 lakhs (31 March 2019: Nil) is unsecured and bears an interest rate of 13% per annum.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
25 Trade payables		
Total outstanding dues to micro and small enterprises [Refer note (ii) below]	312.99	362.97
Total outstanding dues of creditors other than micro enterprises - related parties (Refer notes 43 and 52)	8,900.13	13,167.87
Total outstanding dues of creditors other than micro enterprises - others (Refer note 52)	3,610.26	2,117.14
Total	<u>12,823.38</u>	<u>15,647.98</u>

Notes :

- (i) Refer note 41 for information about liquidity risk and market risk of trade payables
- (ii) The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	312.99	362.97
- interest thereon, included in finance cost		
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

26 Other financial liabilities**Current maturities of non-current borrowings**

Indian rupee loan from bank*	3,785.20	3,767.96
Vehicle loan from bank and financial institutions	18.80	17.24
Loans from related parties**	234.91	350.00
Unclaimed dividends***	1.37	2.73
Payable for capital expenditure	243.15	315.43
Liability towards repayment of advances received from customers (Refer note 43 & 52)	1355.41	1,243.67
Lease liabilities (Also refer note 50)	174.21	-
Deposits	19.56	15.38
Other liabilities	513.17	559.55
Total	<u>6345.78</u>	<u>6,271.96</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
* Includes interest accrued but not due aggregating ₹ 38.39 lakhs (31 March 2019: ₹ 77.11 lakhs)		
** Includes interest accrued but not due aggregating ₹ 132.91 lakhs (31 March 2019: ₹ Nil)		
*** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.		
27 Other current liabilities		
Advance from customers	2,946.85	1,083.38
Statutory dues	76.64	310.23
Advance received against sale of land [Refer note 18(i)]	1,320.00	1,320.00
Advance received against sale of property, plant and equipment [Refer note 18(iii) and note 43]	1,412.63	1,428.00
Total	5,756.12	4,141.61
28 Current provisions		
Provision for employee benefits		
- Compensated absences	14.85	24.36
Provision for sales returns (Refer note below)	61.03	61.11
Total	75.88	85.47
Note :		
A provision is recognized for sales returns on products sold during the last six months, based on past experience of the level of returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for sales return were based on current sales levels and current information available about returns for all products sold. The table below gives information about movement in sales returns.		
Opening provision for sales returns	61.11	46.78
Provision made during the year	4.67	29.08
Provision reversed during the year	4.75	14.75
Utilisation	-	-
Closing provision	61.03	61.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
29 Revenue from operations		
Sale of products		
Manufactured goods	46,667.52	43,501.87
Stock-in-trade	1,880.99	1,313.76
Other operating revenues		
Scrap sales	351.20	414.55
Testing, inspection and installation fees	54.92	18.96
Total	48,954.63	45,249.14
Note: Refer note 47 for details of revenue from contracts with customers.		
30 Other income		
Interest on financial assets measured at amortised cost (Refer note 53)		
- Inter-corporate deposit	10.20	193.39
- Fixed deposits	77.08	78.04
- Others	11.66	13.11
Other non-operating income (net)		
- Interest income on income tax refunds	105.02	-
- Dividend on financial assets measured at fair value through profit and loss	0.05	0.14
- Commission income	29.15	37.34
- Excess provision written back [Refer notes 6 and 41]	32.66	101.05
- Recovery of bad debts of earlier years	11.78	95.68
- Liabilities no longer required written back	150.51	76.33
- Lease rent income	64.53	22.53
- Profit on sale of property, plant and equipment (net)	2.95	2.25
- Miscellaneous income	31.90	29.19
Total	527.49	649.05
31 Cost of materials consumed		
Raw material and components consumed		
Opening stock	5,539.18	4,139.44
Add: Purchases	26,607.23	26,294.78
Less: Captive consumption for utilisation as property, plant and equipment	95.34	347.51
Less: Closing stock (including in transit)	5,377.00	5,539.18
Total	26,674.07	24,547.53
32 Purchases of stock-in-trade		
Castor oil	1,552.64	733.85
Fire equipment	154.63	395.63
Spares and others	50.66	107.11
Total	1,757.93	1,236.59
33 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
At the beginning of the year		
Work-in-progress	5,130.95	6,690.75
Finished goods	1,678.52	808.53
Stock-in-trade	81.11	24.54
	6,890.58	7,523.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
At the end of the year		
Work-in-progress	3,139.02	5,130.95
Finished goods (including in transit)	2,658.81	1,678.52
Stock-in-trade	195.36	81.11
	<u>5,993.19</u>	<u>6,890.58</u>
Total	<u>897.39</u>	<u>633.24</u>
34 Employee benefits		
Salaries and wages	2,234.87	2,095.10
Contribution to provident and other funds (Refer note 45)	129.78	104.48
Staff welfare expenses	52.86	57.62
Total	<u>2,417.51</u>	<u>2,257.20</u>
35 Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Borrowings	2,331.26	2,464.11
- Lease liabilities (Refer note 50)	62.14	-
Interest on delayed payment of income tax	157.67	28.83
Applicable net loss on foreign currency transactions and translations	-	38.67
Other borrowing costs	77.26	82.46
Total	<u>2,628.33</u>	<u>2,614.07</u>
36 Other expenses		
Consumption of stores and spares	951.68	1,015.99
Power and fuel	2,506.23	2,577.17
Water charges	40.47	43.55
Repairs and maintenance		
- Building	34.99	91.90
- Plant and equipment	280.74	160.26
- Others	12.51	83.88
Labour charges	403.17	385.51
Lease rent (Also refer note 50)	111.45	244.99
Insurance	92.61	79.20
Rates and taxes	2,360.92	1,841.30
Payment to auditors (Refer note 38.1)	64.64	61.71
Director sitting fees (Refer note 43)	10.50	9.80
Commission to non-executive directors (Refer note 43)	15.00	-
Expenditure towards corporate social responsibility (Refer notes 43 and 55)	15.69	-
Legal and professional fees	387.53	415.72
Travelling and conveyance	231.14	252.48
Security expenses	71.06	67.99
Bad debts / advances write off [net of provision for doubtful receivables ₹ 40.80 lakh (31 March 2019: ₹ 20.28 lakhs)]	84.61	137.11
Provision for doubtful debts (Refer note 41)	230.06	149.22
Provision for doubtful loan [Refer notes 5(i) and 37]	-	73.00
Bank charges and commission	151.82	105.54
Packing and forwarding	175.18	165.54
Carriage and freight	695.95	740.76
Advertisement and sales promotion	81.86	57.40
Commission on sales	98.11	31.48
Miscellaneous expenses	432.61	467.87
Total	<u>9,540.53</u>	<u>9,259.37</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
36.1 Payment to auditors (excluding taxes)		
As Auditors	60.50	60.50
Certification fees	3.39	-
Out of pocket expenses	0.75	1.21
Total	64.64	61.71
37 Exceptional items gain / (loss) (net)		
Provision towards doubtful interest receivable [Refer note 15(i)]	-	(2,297.23)
Provision for doubtful loan [Refer note 5(i)]	(371.42)	-
Reversal of diminution in value of investment [Refer note 11(ii)]	-	3,000.00
Excess provision written back [Refer note below]	258.94	98.46
Provision for impairment in property, plant and equipment [Refer note 2(iv)]	-	(1,306.05)
Total	(112.48)	(504.82)
Note:		
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 ₹ 258.94 lakhs for the year ended 31 March 2020 (₹ 98.46 lakhs for the year ended 31 March 2019).		
38 Tax expense / (credit)		
Current tax on profits for the year	445.90	1,008.12
Tax pertaining to earlier years	53.13	-
(Increase) / Decrease in deferred tax assets (net)	506.00	(5,707.31)
Total	1,005.03	(4,699.19)
(A) Reconciliation of income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:		
Profit before tax	2,595.90	4,053.37
Current tax at the enacted rate of 34.944% (31 March 2019 : 34.944%)	907.11	1,416.41
Tax effect of the amounts which are not deductible / taxable in calculating taxable income		
Permanent disallowances (net)	43.87	33.40
Interest exempt from income tax	0.02	0.05
Tax pertaining to earlier years	53.13	-
Deferred tax assets (net) recognised and tax losses utilised during the year (Also refer note 8)	-	(6,149.68)
Others	0.90	0.63
Total	1,005.03	(4,699.19)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
B) Deferred tax asset movement (net)

(₹ in lakhs)

	As at 31 March 2020	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other compre- hensive income	Adjust- ment through reserves	As at 31 March 2019	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other compre- hensive income	As at 01 April 2018
Deferred tax liability on account of :								
Depreciation and amortisation	3,470.77	(273.29)	-	-	3,744.06	(410.07)	-	4,154.13
Financial liabilities at amortised cost	7.10	(14.19)	-	-	21.29	(14.08)	-	35.37
Financial assets measured at fair value through other comprehensive income	3.95	-	3.95	-	-	-	-	-
Total	3,481.82	(287.48)	3.95	-	3,765.35	(424.15)	-	4,189.50
Deferred tax assets on account of :								
Transitional adjustment on adoption of Ind AS 116, 'Leases'	58.44	(8.70)	-	67.14	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	(41.81)	41.81
Provision for doubtful debts/deposits/ advances	1,809.76	95.74	-	-	1,714.02	1,335.82	-	378.20
Employee benefits	85.09	(5.51)	-	-	90.60	29.96	6.30	54.34
Provision for sales returns	7.89	(0.01)	-	-	7.90	(8.45)	-	16.35
Unabsorbed depreciation as per tax laws	1,358.37	-	-	-	1,358.37	-	-	1,358.37
Carried forward business loss as per tax laws	3,465.84	(1,409.81)	-	-	4,875.65	2,493.40	-	2,382.25
Minimum Alternate Tax credit entitlement	1,967.24	534.81	-	-	1,432.43	1,432.43	-	-
Total	8,752.63	(793.48)	-	67.14	9,478.97	5,283.16	(35.51)	4,231.32
Net movement [provision/(reversal)]		506.00	3.95			(5,707.31)	35.51	

C) Unused tax losses which arose on incurrence of business losses under the Indian tax laws for which no deferred tax asset (DTA) has been created due to absence of reasonable certainty

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Business loss	1,06,00,000	6,00,00,000
DTA on business loss	37,04,064	2,09,66,400

39 Other comprehensive income / (loss)

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Items that will not be reclassified to profit or loss		
Measurements of defined employee benefit plans	(1.31)	(18.04)
Changes in fair value of fair value through other comprehensive income equity measurements	18.98	(126.98)
Income tax relating to these items	(3.95)	(35.51)
Total	13.72	(180.53)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

40 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2020			As at 31 March 2019		
	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost
Financial assets - non-current						
Investments	297.83	-	-	278.85	-	-
Loans	-	-	208.94	-	-	205.11
Other financial assets	-	-	23.52	-	-	235.95
Financial assets - current						
Trade receivables	-	-	8,869.98	-	-	8,478.61
Cash and cash equivalents	-	-	527.51	-	-	130.98
Bank balances other than cash and cash equivalents	-	-	1,355.15	-	-	1,095.88
Investments	-	-	-	-	2.99	-
Loans	-	-	100.24	-	-	1,852.60
Other financial assets	-	-	375.36	-	-	291.49
Financial liabilities - non-current						
Borrowings (including current maturities)	-	-	9,220.67	-	-	12,821.61
Lease liabilities	-	-	447.85	-	-	-
Financial Liabilities - current						
Borrowings	-	-	6,615.06	-	-	7,137.12
Trade payables	-	-	12,823.38	-	-	15,647.98
Other financial liabilities	-	-	2,132.66	-	-	2,136.76

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-

the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in equity instrument are based on intrinsic value of the investee company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

III. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets - non-current						
Investments measured at fair value through other comprehensive income	-	-	297.83	-	-	278.85
Financial assets - current						
Investments measured at fair value through profit and loss	-	-	-	2.99	-	-

IV. Fair value of financial assets and liabilities measured at amortised cost , for which fair values are disclosed as below:

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Loans	208.94	208.94	205.11	205.11
Other financial assets	23.52	21.76	235.95	217.82
Financial liabilities - non-current				
Borrowings (including current maturities)	9,220.67	9,253.66	12,821.61	12,873.56
Lease liabilities	447.85	447.85	-	-

- (a) The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.
- (b) The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

41 Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instrument. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and bank balances, bank deposits and investments that derive directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A) Credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and government and other financial instruments) except loans to related parties. The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these cases, the credit risk is negligible.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,

- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Standalone Statement of Profit and Loss. (₹ in lakhs)

a) Age of receivables that are past due:

	As at 31 March 2020	As at 31 March 2019
0-3 months	8,494.11	8,077.05
3-6 months	117.01	293.02
6-12 months	138.82	67.37
beyond 12 months	1,009.50	759.03
Total	9,759.44	9,196.47
Impairment allowance	889.46	717.86

b) Movement in impairment allowance:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening provision	717.86	689.97
Provision for doubtful debts	230.06	149.22
Provision written off	(40.80)	(20.28)
Excess provision written back	(17.66)	(101.05)
Closing provision	889.46	717.86

B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
Maturities of non – derivative financial liabilities
As at 31 March 2020

(₹ in lakhs)

	Within 1 year	1 - 5 years	Total
Financial liabilities - non-current			
Borrowings (including current maturities)	4,038.91	5,181.76	9,220.67
Lease liabilities (including current maturities)	174.21	273.64	447.85
Financial Liabilities - current			
Borrowings	6,615.06	-	6,615.06
Trade payables	12,823.38	-	12,823.38
Other financial liabilities	2,132.66	-	2,132.66
Total	25,784.22	5,455.40	31,239.62

As at 31 March 2019

(₹ in lakhs)

	Within 1 year	1 - 5 years	Total
Financial liabilities - non-current			
Borrowings (including current maturities)	4,135.20	8,686.41	12,821.61
Financial Liabilities - current			
Borrowings	7,137.12	-	7,137.12
Trade payables	15,647.98	-	15,647.98
Other financial liabilities	2,136.76	-	2,136.76
Total	29,057.06	8,686.41	37,743.47

C) Market risk
(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables and payables which are held in USD, Thai Baht, AED and EUR.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since the management believes that the same will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR, are as under:

(₹ in lakhs)

	As at 31 March 2020				As at 31 March 2019			
	USD	Thai Baht	AED	EUR	USD	Thai Baht	AED	EUR
Financial liabilities								
Trade Payables	9,245.54	-	327.04	79.69	13,120.80	-	322.13	185.28
Liability towards repayment of advances received from customers	1,355.41	-	-	-	1,243.67	-	-	-
Financial assets								
Trade Receivables	320.23	-	-	207.25	412.05	-	-	260.28
Investment in equity shares of a subsidiary	5,796.87	1,503.77	-	-	5,796.87	1,503.77	-	-
Bank Balances	43.91	-	84.66	-	9.24	-	95.38	-
Net exposure to foreign currency assets/(liabilities)	(4,439.94)	1,503.77	(242.38)	127.56	(8,146.31)	1,503.77	(226.75)	75.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, Thai Baht, AED and EUR with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	31 March 2020		31 March 2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(222.00)	222.00	(407.32)	407.32
Thai Baht	75.19	(75.19)	75.19	(75.19)
AED	(12.12)	12.12	(11.34)	11.34
EUR	6.38	(6.38)	3.75	(3.75)

(ii) Interest rate risk

The Company's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The fixed rate borrowing are carried at amortised cost, hence they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The Company's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	10,086.39	14,651.89
Fixed rate borrowings	5,749.34	5,021.26
Total	15,835.73	19,673.15

Sensitivity analysis

(₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 70 basis points	(70.60)	(102.56)
Decrease by 70 basis points	70.60	102.56

(iii) Price Risk

The Company is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income. There is no price risk for mutual fund as they are invested under fixed Net asset value (NAV) scheme.

(₹ in lakhs)

Sensitivity	31 March 2020	31 March 2019
Impact on other comprehensive income after tax for 5% increase in share price	14.89	13.94
Impact on other comprehensive income after tax for 5% decrease in share price	(14.89)	(13.94)

42 Capital Management**Risk management**

The Company's objectives when managing capital are as below

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes non-current and current borrowings net of cash and bank balances and total equity comprises of equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Gross debt	15,835.73	19,958.73
Less: Cash and bank balances	(1,882.66)	(1,226.86)
Net debt (A)	13,953.07	18,731.87
Equity (B)	26,681.66	25,202.04
Gearing ratio (A / B)	52.29%	74.33%

Loan covenants

Bank loans availed by the Company contain certain debt covenants which are required to be complied with. The Limitation of indebtedness covenant gets suspended once the Company meets the certain prescribed criteria. As of the reporting date, the Company is not in compliance with certain performance linked financial covenants. The Company is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any interest/penalty towards above matter.

43 Related Party Disclosure:

As per Ind AS 24, 'Related Party Disclosures', disclosure of transactions with the related parties are given below:

(i) Names of related parties and description of relationship with the Company

Subsidiary companies	EKC Industries (Tianjin) Co., Ltd EKC International FZE EKC Industries (Thailand) Co., Ltd Calcutta Compressions and Liquefaction Engineering Limited EKC Positron Gas Ltd Next Gen Cylinder Private Limited
Step down subsidiary companies	EKC Hungary Kft. EKC Europe GmbH CP Industries Holdings, Inc.
Joint venture	Kamal EKC International Limited (upto 22 August 2019)
Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence (with whom transactions have taken place during the year):	Mr. Pushkar Khurana (upto 13 November 2019) Mr. Ghanshyam Karkera (w.e.f. 30 October 2018) Mr. M N Sudhindra Rao Ms. Uma Acharya Dr. Vijayanti Pandit (w.e.f. 30 March 2020)* Mr. Mohan Jayakar (upto 15 April 2019) Jayakar & Partners (upto 15 April 2019) Everest Kanto Investment and Finance Private Limited Khurana Gases Private Limited Medical Engineers (India) Limited Khurana Fabrication Industries Private Limited Khurana Exports Private Limited Khurana Charitable Trust
Key Management Personnel	Mr. Prem Kumar Khurana - Chairman and Managing Director (Upto 10 October 2019) Mr. Puneet Khurana - Chief Executive Officer (upto 13 November 2019) Mr. Puneet Khurana - Managing Director (w.e.f. 14 November 2019) Mr. Pushkar Khurana - Chairman and Executive Director (w.e.f 14 November 2019) Mr. Sanjiv Kapur - Chief Financial Officer (w.e.f. 1 November 2018) Mr. Dinesh Bhalotia - Chief Financial Officer (upto 8 May 2018) Ms. Bhagyashree Kanekar - Company Secretary (w.e.f. 13 August 2018)
Relatives of Key Management Personnel (with whom transactions have taken place during the year)	Ms. Suman Khurana Mr. Varun Khurana Mrs. Sabita Bhalotia (upto 8 May 2018)

* Appointment as Independent Director is subject to approval of shareholders in ensuing annual general meeting of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019
(ii) Transactions with related parties during the year:										
Sale of goods:										
EKC International FZE	172.31	252.86	-	-	-	-	-	-	-	-
EKC Europe GmbH	-	-	568.53	472.14	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	-	17.37	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	862.99	1,994.85	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	4.52	-	-	-	-	-	-	-	-	-
Sale of consumable, store & spares										
EKC International FZE	56.93	112.37	-	-	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	0.22	3.28	-	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	-	18.22	-	-	-	-
Sale of property, plant & equipment										
Mr. Dinesh Bhalotia	-	-	-	-	-	-	1.50	-	-	-
Purchase of raw materials and traded goods										
EKC International FZE	-	2,334.01	-	-	-	-	-	-	-	-
EKC Industries (Tianjin) Co., Ltd	156.80	1,909.06	-	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	1.45	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	-	63.00	-	-	-	-	-	-	-	-
Purchase of consumables										
EKC Industries (Tianjin) Co., Ltd	-	17.40	-	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	3.90	0.28	-	-	-	-
Purchase of property, plant and equipment										
EKC Industries (Tianjin) Co., Ltd	1,337.51	157.62	-	-	-	-	-	-	-	-
Remuneration										
Mr. Prem Kumar Khurana	-	-	-	-	-	-	71.70	119.00	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	226.54	159.86	-	-
Ms. Bhagyashree Kanekar	-	-	-	-	-	-	9.03	5.28	-	-
Mr. Dinesh Bhalotia	-	-	-	-	-	-	-	6.11	-	-
Mr. Sanjiv Kapur	-	-	-	-	-	-	63.93	26.05	-	-
Ms. Suman Khurana	-	-	-	-	-	-	-	-	11.42	-
Sitting fees										
Mr. Mohan Jayakar	-	-	-	-	-	2.90	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	3.75	1.10	-	-	-	-
Ms. Uma Acharya	-	-	-	-	3.90	3.45	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	2.85	2.35	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(ii) Transactions with related parties during the year (contd):										(₹ in lakhs)	
	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel		
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	
Commission to non-executive directors											
Ms. Uma Acharya	-	-	-	-	5.00	-	-	-	-	-	
Mr. M N Sudhindra Rao	-	-	-	-	5.00	-	-	-	-	-	
Mr. Ghanshyam Karkera	-	-	-	-	5.00	-	-	-	-	-	
Professional fees											
Jayakar & Partners	-	-	-	-	-	0.48	-	-	-	-	
Mrs. Sabita Bhalotia	-	-	-	-	-	-	-	-	-	4.13	
Rent expenses											
Khurana Fabrication Industries Private Limited	-	-	-	-	16.63	16.63	-	-	-	-	
Khurana Exports Private Limited	-	-	-	-	45.36	45.36	-	-	-	-	
Khurana Gases Private Limited	-	-	-	-	14.38	14.38	-	-	-	-	
Mr. Prem Kumar Khurana	-	-	-	-	-	-	2.70	3.60	-	-	
Mr. Pushkar Khurana	-	-	-	-	2.70	3.60	0.90	-	-	-	
Mr. Varun Khurana	-	-	-	-	-	-	-	-	-	3.50	
Other expenses	-	3.75	-	9.71	7.50	8.23	-	-	-	-	
Expenditure towards corporate social responsibility											
Khurana Charitable Trust	-	-	-	-	15.69	-	-	-	-	-	
Reimbursement of expenses											
EKC International FZE	1.69	11.46	-	-	-	-	-	-	-	-	
Calcutta Compressions and Liquefaction Engineering Limited	0.02	-	-	-	-	-	-	-	-	-	
EKC Europe GmbH	-	-	9.32	-	-	-	-	-	-	-	
Medical Engineers (India) Limited	-	-	-	-	1.23	-	-	-	-	-	
Commission income											
EKC International FZE	23.32	29.87	-	-	-	-	-	-	-	-	
Lease rent income											
Calcutta Compressions and Liquefaction Engineering Limited	64.53	22.53	-	-	-	-	-	-	-	-	
Interest expenses											
Khurana Gases Private Limited	-	-	-	-	149.62	109.90	-	-	-	-	
Everest Kanto Investment and Finance Private Limited	-	-	-	-	429.96	438.78	-	-	-	-	
Khurana Fabrication Industries Private Limited	-	-	-	-	29.28	20.36	-	-	-	-	
Khurana Exports Private Limited	-	-	-	-	0.84	-	-	-	-	-	
Provision for doubtful loan											
Calcutta Compressions and Liquefaction Engineering Limited	371.42	73.00	-	-	-	-	-	-	-	-	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(ii) Transactions with related parties during the year (contd):									
	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2019
Provision towards doubtful interest receivable	-	2,297.23	-	-	-	-	-	-	-
EKC Industries (Tianjin) Co., Ltd									
Fair valuation of financial guarantee given on behalf of subsidiary	-		-		-		-		-
EKC International FZE	5.83	7.47	-	-	-	-	-	-	-
Reversal of diminution in value of investment	-		-		-		-		-
EKC Industries (Tianjin) Co., Ltd	-	3,000.00	-		-		-		-
Advance received towards sale of property, plant and equipment	-		-		-		-		-
Mr. Pushkar Khurana	-		-		-		-		-
Refund of excess advance received against sale of property, plant and equipment	-		-		-		-		-
Mr. Pushkar Khurana	-		-		15.37		-		-
Loans repaid during the year	-		-		-		-		-
Everest Kanto Investment and Finance Private Limited	-		-		102.73	1,760.47	-		-
Loans taken during the year	-		-		-		-		-
Everest Kanto Investment and Finance Private Limited	-		-		216.00	767.50	-		-
Khurana Gases Private Limited	-		-		98.50	484.00	-		-
Khurana Fabrication Industries Private Limited	-		-		79.95	33.75	-		-
Khurana Exports Private Limited	-		-		7.00		-		-
Investments - Conversion of loan into equity	-		-		-		-		-
EKC Industries (Tianjin) Co., Ltd	-	2,371.81	-	-	-		-		-
Netting off trade payables against advance given to suppliers on receipt of regulatory approvals	-		-		-		-		-
EKC Industries (Tianjin) Co., Ltd	3,301.23	-	-	-	-		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(iii) Balances of related parties	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Payables (Trade payables and other liabilities)										
EKC International FZE	8,810.25	9,614.20	-	-	-	-	-	-	-	-
EKC Industries (Tianjin) Co., Ltd	39.97	3,345.92	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	1,372.72	1,259.56	-	-	-	-	-	-
EKC Europe GmbH	-	-	32.60	22.59	-	-	-	-	-	-
EKC Industries (Thailand) Co., Ltd	-	169.27	-	-	-	-	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	9.06	-	-	-	-	-
Everest Kanto Investment and Finance Private Limited	-	-	-	-	-	-	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	5.78	0.08	-	-	-	-
Everest Industrial Gases Private Limited	-	-	-	-	-	-	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	9.97	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	-	-	-	-	-	-
Jayakar & Partners	-	-	-	-	-	0.43	-	-	-	-
Mr. Prem Kumar Khurana	-	-	-	-	-	-	-	14.00	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	8.65	15.00	-	-
Ms. Bhagyashree Kanekar	-	-	-	-	-	-	0.77	0.68	-	-
Mr. Sanjiv Kapur	-	-	-	-	-	-	5.14	5.50	-	-
Ms. Uma Acharya	-	-	-	-	5.20	-	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	4.90	-	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	5.05	-	-	-	-	-
Mrs. Suman Khurana	-	-	-	-	-	-	-	-	2.50	-
Loans given										
EKC Industries (Tianjin) Co., Ltd										
[Net of provision ₹ Nil (31 March 2019: ₹ Nil)]	2,297.23	2,297.23	-	-	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited *										
[Net of provision ₹ Nil (31 March 2019: ₹ 371.42 lakhs)]	582.73	582.73	-	-	-	-	-	-	-	-
Advance given to suppliers and other advances										
EKC Industries (Tianjin) Co., Ltd	-	3,782.72	-	-	-	-	-	-	-	-
EKC Industries (Thailand) Co., Ltd	4.64	4.64	-	-	-	-	-	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	1.62	0.77	-	-
Advance received towards sale of property, plant and equipment										
Mr. Pushkar Khurana	-	-	-	-	1,412.63	1,428.00	-	-	-	-
Advance received from customers										
EKC International FZE	324.00	324.00	-	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
(iii) Balances of related parties (contd):										
Medical Engineers (India) Limited	-	-	-	-	435.06	444.66	-	-	-	-
EKC Industries (Thailand) Co., Ltd	897.25	-	-	-	-	-	-	-	-	-
Loans taken										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	3,716.67	3,512.03	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	1,327.29	1,194.50	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	275.06	188.25	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	7.19	-	-	-	-	-
Receivables										
EKC International FZE	163.53	285.69	-	-	-	-	-	-	-	-
EKC Industries (Tianjin) Co., Ltd	-	-	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	18.37	16.86	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	556.53	535.31	-	-	-	-	-	-	-	-
EKC Industries (Thailand) Co., Ltd	-	-	-	-	-	-	-	-	-	-
EKC Europe GmbH	-	-	326.73	269.55	-	-	-	-	-	-
Mr. Dinesh Bhalotia	-	-	-	-	-	-	-	1.18	-	-
Deposit receivable	-	-	-	-	-	-	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	10.00	10.00	-	-	-	-
Personal guarantees from promoter directors for borrowings by the Company [Refer note (c) below]										
Assets pledged by promoters and group companies for outstanding borrowings by the Company [Refer note (d) below]										
Corporate Guarantees outstanding on behalf of subsidiary										
EKC International FZE	4,227.84	4,349.58	-	-	-	-	-	-	-	-

Notes:

- Foreign currency balances are restated at year end rates.
- Loans given to subsidiaries and loans raised by subsidiaries backed by guarantees given on their behalf have been utilised by them for acquisition of property, plant and equipment and for working capital.
- Personal Guarantees given to banks of ₹ 40,000 lakhs and USD 5 million as at 31 March 2019 by promoter directors (including their estate, heirs, legal representatives and assigns, as applicable) of the Company for the term loans and working capital loans against which ₹ 7917.15 lakhs (₹ 12,833.18 lakhs as at 31 March 2019) were outstanding as at the end of the year.
- Assets pledged to banks by promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies for term loan and working capital loan of ₹ 34,500 lakhs (₹ 34,500 lakhs as at 31 March 2019) against which ₹ 5,615.31 lakhs (₹ 9,180.97 lakhs as at 31 March 2019) were outstanding as at the end of the year.
- The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 30 June 2021 (31 March 2019; till 31 May 2020) to enable it to meet its day to day obligation/commitment; to the extent this entity may be unable to meet its obligations.
- Also refer note 5(i).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
Compensation to Key Managerial Personnel*

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	349.54	299.96
Post-employment benefits	21.66	16.34
Total compensation	371.20	316.30

* The aforesaid amounts does not include amount in respect of gratuity and Compensated absences as the same is not determinable.

44 Contingent liabilities, Capital and other commitments

(₹ in lakhs)

		As at 31 March 2020	As at 31 March 2019
(a)	Contingent liabilities:		
(i)	Income tax matters under disputes	693.69	1,015.00
(ii)	Lease tax	13.69	21.05
(iii)	Sales tax and Value Added Tax	1,190.85	1,436.62
(iv)	Excise duty	53.81	-
(v)	Non compliance of 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, under the Foreign Exchange Management Act, 1999 (Refer note 52)	Amount not determinable	Amount not determinable
(vi)	Provident fund The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, which is supported by legal advice, the aforesaid matter in not likely to have a significant impact and accordingly, the Company has provided for the liability in accordance with the judgement from the date of pronouncement and retrospective liability, if any, will be provided when the final legal view emerges from the authority. Future cash flows in respect of the above are determinable only on pronouncements of judgments / decisions pending with various forums/ authorities. The Company does not expect any reimbursement in respect of the above matters.	Amount not determinable	Amount not determinable
b)	Corporate guarantees given on behalf of a subsidiary Amount outstanding on behalf of corporate guarantee	4,900.08 4,227.84	4,496.13 4,349.58
c)	Claims against Company not acknowledged as debt	50.75	50.75
d)	Bonds executed in favour of government authorities * *Bonds / undertakings given by the Company under concessional duty/ exemption schemes to government authorities (net of obligations fulfilled)	196.20	-
e)	Commitments		
i)	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	-	1,143.33
ii)	Uncalled amount of partly paid equity shares of a subsidiary company	128.56	128.56
(iii)	The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 30 June 2021 (31 March 2019: till 31 May 2020) to enable it to meet its day to day obligation/ commitment; to the extent this entity may be unable to meet its obligations.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

45 Employee benefits

A) Defined Contribution Plan:

Contribution to defined Contribution Plans, recognised as expense for the year are as under:

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Employer contribution to provident fund	126.28	103.55
Employer contribution to employees state insurance scheme	0.60	0.70
Total	126.88	104.25

B) Defined Benefit Plan:

Contribution to gratuity fund (funded scheme)

The Company provides gratuity benefit for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Actuarial assumptions	IALM (2012-14) ult	IALM (2012-14) ult
Mortality table		
Discount rate (%) (per annum)	6.35%	7.50%
Rate of increase in compensation rate (%) (per annum)	0%-6%	6.00%
Withdrawal rate (%)		
Age 21-30 years	7.50%	7.50%
Age 31-40 years	5.00%	5.00%
Age 41-57 years	3.00%	3.00%
(ii) Assets information (%)		
Insurer managed funds	100%	100%
(iii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	260.54	227.02
Interest expense	18.55	16.50
Current service cost	26.15	26.20
Actuarial loss	0.26	0.32
Benefits paid	(20.67)	(9.50)
Present value of obligation at the end of the year	284.83	260.54
(iv) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of the year	144.51	143.22
Interest income	11.35	11.62
Contributions	72.72	-
Benefits paid	(20.67)	(9.50)
Actuarial loss	(1.05)	(0.83)
Fair value of plan assets at the end of the year	206.86	144.51
(v) Assets and liabilities recognised in the Standalone Balance Sheet		
Present value of the defined benefit obligation at the end of the year	284.83	260.54
Less: Fair value of plan assets at the end of the year	(206.86)	(144.51)
Net liability recognised	77.97	116.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
	Recognised under provisions		
	Current provisions	-	-
	Non-current provisions	77.97	116.03
(vi)	Expenses recognised in the Standalone Statement of Profit and Loss		
	Current service cost	26.15	26.20
	Net interest expense	7.20	4.88
	Net gratuity cost recognised during the year	33.35	31.08
	Included in note 34 'Employee benefits expense		
(vii)	Expenses recognised in the Other comprehensive income / (loss)		
	Actuarial loss on measurements of defined employee benefit plans	1.31	18.04
	Total remeasurement cost for the year recognised in Other comprehensive income / (loss)	1.31	18.04
(viii)	Reconciliation of net asset / (liability) recognised:		
	Net asset / (liability) recognised at the beginning of the period	(116.03)	(83.80)
	Company contributions	72.72	-
	Benefits paid directly by Company	-	-
	Actuarial gain / (loss)	(1.31)	(1.15)
	Expenses recognised at the end of period	(33.35)	(31.08)
	Net asset/(liability) recognised at the end of the period	(77.97)	(116.03)

(ix) Sensitivity Analysis:

(₹ in lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Decrease	Increase	Decrease	Increase
Impact of increase in 50 bps on DBO (discount rate)	4.12%	-	3.85%	-
Impact of decrease in 50 bps on DBO (discount rate)	-	4.42%	-	4.12%
Impact of increase in 50 bps on DBO (salary escalation rate)	-	4.28%	-	4.00%
Impact of decrease in 50 bps on DBO (salary escalation rate)	4.02%	-	3.76%	-

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(x) Number of employees

(in numbers)

	Year ended 31 March 2020	Year ended 31 March 2019
Active members	561	514
• deferred members - Nil (2019-20: Nil), • retired members - Nil (2019-20: Nil) The Company expects to contribute around ₹ 40 lakhs to the funded plans in financial year 2020-21 (2019-20 : ₹ 40 lakhs) for gratuity.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(xi) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2020	Year ended 31 March 2019
1	26.12	26.43
2	34.07	21.87
3	19.04	34.26
4	28.02	19.02
5	19.42	27.70
6	30.60	19.33
7	22.41	31.35
8	29.02	23.11
9	30.24	28.22
10 and above	312.82	320.67

(xi) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants

from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset liability mismatching or market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

- (C) The obligation of compensated absences is recognised in the same manner as gratuity and net expense in the Standalone Statement of Profit and Loss for the year ended 31 March 2020 is ₹ 8.68 lakhs (31 March 2019: ₹ 10.72 lakhs)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current provisions	14.85	24.36
Non-current provisions	77.45	80.68
Total	92.30	105.04

46 Segment reporting

In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the Consolidated Financial Statements of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial statements.

47 Revenue from contract with customer

The Company derives revenues primarily from sale of high pressure seamless gas cylinders and other cylinders, equipments, appliances and other related services. Further, the Company is engaged in the trading of fire equipment and castor oil.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Under Ind AS 115, an entity recognises revenue when it transfers control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, the Company assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that Company enters into consist of a single performance obligation for the delivery of cylinders, fire equipment and castor oil. The Company recognize revenue from product sales when control of the product transfers i.e. generally upon shipment.

Some contracts provide customers with a right of return and Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. (Refer notes 17 and 28).

Disaggregation of revenue

(a) Revenue based on geography

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Within India	46,607.21	43,036.55
Outside India	2,347.42	2,212.59
Total	48,954.63	45,249.14

(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Cylinders	46,667.52	43,501.87
Castor oil	1,451.60	763.10
Fire equipment	231.06	31.40
Others	604.45	952.77
Total	48,954.63	45,249.14

(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue recognition at a point in time	48,954.63	45,249.14
Revenue recognition over period of time	-	-
Total	48,954.63	45,249.14

(d) Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss with the contracted price

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue as per contracted price	49,008.05	45,316.88
Sales return	53.42	67.74
Revenue from contract with customers	48,954.63	45,249.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Contract balances

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	8,869.98	8,478.61
Contract liabilities from contracts with customers	2,946.85	1,083.38

Unsatisfied performance obligations on long term contracts

All existing contracts are for periods of one year or less. As permitted under Ind AS 115, 'Revenue from Contracts with Customers', the transaction price allocated to these unsatisfied contracts is not disclosed.

48 Earnings per share

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Net Profit after tax attributable to equity share holders (₹ In lakhs)	1,590.87	8,752.56
Weighted average number of equity shares outstanding during the year (numbers)	11,22,07,682	11,22,07,682
Basic and diluted earnings per share (₹)	1.42	7.80
Face value per share (₹)	2.00	2.00

Note: The Company does not have any outstanding dilutive potential equity shares as at 31 March 2020 and 31 March 2019. Consequently, basic and diluted earnings per share of the Company remains the same.

49 Assets pledged as security

The carrying amount of assets pledged as security are as under:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non-current assets		
Property, plant and equipment	19,443.98	20,001.49
Capital work-in-progress	1,504.98	778.48
Intangible assets	20.48	21.04
Loans	208.94	205.11
Current assets		
Financial assets		
Investments	-	2.99
Trade receivables	8,869.98	8,478.61
Cash and cash equivalents	527.51	130.98
Bank balances other than cash and cash equivalents	1,355.15	1,095.88
Loans	100.24	1,852.60
Other financial assets	375.36	291.49
Non financial assets		
Inventories	10,858.59	11,663.49
Other current assets	1,615.04	5,388.35
Assets classified as held for sale	1,834.94	1,834.94
Total assets pledged as security	46,715.19	51,745.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

50 Transitional Provision- Ind AS 116, 'Leases'

The Company has adopted the new accounting standard i.e. Ind AS 116, 'Leases', which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17, 'Leases'.

The adoption of this new standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in other equity as an adjustment to the opening balance of retained earnings for the current year. Prior periods have not been restated. The Company has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company has recognised a right-of-use asset on the date of initial application at its carrying amount as if the new standard had been applied since the commencement date of lease but discounted using the incremental borrowing rate at the date of initial application. On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 12% p.a.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition to Ind AS 116, being 1 April 2019.
- On transition, the Company has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Exemptions availed by Company:

The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value

The maturity analysis of lease liabilities are disclosed in note 41(B)

The Company has accrued ₹ 111.45 Lakhs as lease rent expenses during the year ended 31 March 2020 which pertains to short-term leases / low value assets (Refer note 36)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company's lease asset primarily consist of leases for building (premises) and warehouses having various lease terms. 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 ₹ 398.89 lakhs by adjusting retained earnings by ₹ 124.97 lakhs (net of tax), including adjustments for prepaid/accrued rent, as at the aforesaid date. In the Standalone 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 year is not comparable.

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

(₹ in lakhs)

	Year ended 31 March 2020 (Erstwhile basis)	Year ended 31 March 2020 (Post adoption of Ind AS 116)	Increase / (Decrease) in Profit
Other expenses	9,757.48	9,540.53	216.95
Finance costs	2,566.19	2,628.33	(62.14)
Depreciation and amortisation	2,158.41	2,288.41	(130.00)
Profit before tax	2,571.09	2,595.90	24.81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	Year ended 31 March 2020
Right-of-use assets	
Buildings	280.74
	280.74
Lease liabilities	
Current	174.21
Non-current	273.64
	447.85

Amounts recognised in Standalone Statement of Profit and Loss

(₹ in lakhs)

	Year ended 31 March 2020
Depreciation charge on Right-of-use assets	
Buildings	130.00
	130.00
Interest expense included in finance cost	62.14
Expense relating to short-term leases	111.45
Expense relating to leases of low-value assets that are not shown above as short-term leases	-
Expense relating to variable lease payments not included in lease liability	-
Total cash outflow for leases during current financial year (excluding short term leases)	217.00
Additions to the right of use assets during the current financial year	11.71

Details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

(₹ in lakhs)

	Year ended 31 March 2020
Less than 1 year	216.74
1-5 years	299.15
More than 5 years	-
As at 31 March 2020	515.89

51 Net debt reconciliation

Reconciliation of non-cash and cash flow changes in financing activities.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	527.51	130.98
Non-current borrowings (including current maturities)	(9,220.67)	(12,821.61)
Current borrowings	(6,615.06)	(7,137.12)
Lease liabilities (including current maturities)	(447.85)	-
Net debt	(15,756.07)	(19,827.75)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Total
Net Debt as at 1 April 2018	241.81	(15,343.94)	(7,105.21)	-	(22,207.34)
Cash flows	(110.83)	2,514.86	(31.91)	-	2,372.12
Interest expense	-	(1,562.28)	(1,010.15)	-	(2,572.43)
Interest paid	-	1,611.75	1,010.15	-	2,621.90
Non cash adjustment					
Amortisation of loan processing fee	-	(42.00)	-	-	(42.00)
Net Debt as at 31 March 2019	130.98	(12,821.61)	(7,137.12)	-	(19,827.75)
Cash flows	396.53	3,735.00	583.70	154.86	4,870.09
Adjustment on transition to Ind AS 116 (Refer note 51)	-	-	-	(591.00)	(591.00)
Non cash movement: Acquisitions	-	-	-	(11.71)	(11.71)
Interest expense	-	(1,307.24)	(1,218.32)	(62.14)	(2,587.70)
Interest paid	-	1,213.81	1,156.68	62.14	2,432.63
Non cash adjustment					
Amortisation of loan processing fee	-	(40.63)	-	-	(40.63)
Net Debt as at 31 March 2020	527.51	(9,220.67)	(6,615.06)	(447.85)	(15,756.07)

52 The outstanding balances as at 31 March 2020 include trade payables aggregating ₹ 8,942.27 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,355.41 lakhs, trade receivables aggregating ₹ 42.28 lakhs (net of provision ₹ 23.44 lakhs) and interest receivable aggregating ₹ 2,297.23 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, as amended from time to time 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 standalone financial statements, and accordingly, the standalone financial statements do not include any adjustments that may arise due to such delay/default.

53 Recognition of interest income of ₹ 62.94 lakhs for the year ended 31 March 2020 (₹ 69.93 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. Refer note 5(i).

54 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 statements, 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 standalone financial statements, which may differ from that considered as at the date of approval of these standalone financial statements. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

55 Expenditure towards corporate social responsibility

Section 135 of the Companies Act, 2013 and rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or net profit of ₹ 5 crore or more during the immediately preceding financial year shall ensure that the company spends, in every financial year, atleast 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of the Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company as per Section 198 of Companies Act, 2013 three immediately preceding financial years	627.78	-
Amount required to be spent as per Section 135 of the Companies Act, 2013 (2% of the average net profit as computed above)	12.56	-
Amount spent by the Company during the year (Refer note 43)	15.69	-
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above*	15.69	-
Amount unspent / (excess spent)	(3.13)	-

* The aforesaid payments are made to Khurana Charitable Trust during the year ended 31 March 2020 to undertake corporate social responsibility activities as specified in Schedule VII of the Companies Act, 2013. However, due to outbreak of Covid-19 pandemic, these amounts have remained unspent by Khurana Charitable Trust as at 31 March 2020.

56 The standalone financial statements were authorised for issue by the directors on 10 July 2020.

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

Everest Kanto Cylinder Limited
FY 2019-20



Form AOC-I
(Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with
Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures

(₹ in Lakhs)

Sr. No.	Name of the Subsidiaries	EKC International FZE	EKC Industries (Tianjin) Co. Ltd.	EKC Industries (Thailand) Co. Ltd.	Next Gen Cylinder Pvt. Ltd.	Calcutta Compressions & Liquefaction Engineering Ltd.	EKC Positron Gas Ltd.	EKC Hungary Kft	CP Industries Holdings, Inc.	EKC Europe GmbH
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Reporting Currency	AED	RMB	THB	INR	INR	INR	USD	USD	Euro
3	Exchange Rate as on 31.03.2020	1 AED = 20.3425	1 RMB = 10.5398	1 THB = 2.2804	NA	NA	NA	1 USD = 75.3859	1 USD = 75.3859	1 EURO = 83.0496
4	Share Capital	3,499.65	23,861.36	2,280.37	10.00	353.54	3.63	5,796.54	6,784.73	20.76
5	Reserves & Surplus	57,872.71	(17,206.04)	(177.72)	(0.22)	(1,492.47)	(1.04)	(6,109.06)	(17,647.91)	(365.19)
6	Share Application Money	-	-	-	-	-	-	-	-	-
7	Total Assets	74,426.37	6,669.76	2,113.63	9.78	298.93	3.96	10,270.98	24,386.65	1,370.95
8	Total Liabilities	74,426.37	6,669.76	2,113.63	9.78	298.93	3.96	10,270.98	24,386.65	1,370.95
9	Investments	14,161.26	-	-	-	(78.18)	-	6,784.73	-	-
10	Turnover	14,113.46	4,196.22	17.41	-	1,002.10	-	384.23	12,725.25	2,588.87
11	Profit/(Loss) Before Taxation	443.26	3,288.46	(141.54)	(0.13)	(307.14)	(0.54)	352.83	(1,781.95)	(45.07)
12	Provision for Taxation	-	-	-	-	-	-	16.91	(19.73)	-
13	Profit/(Loss) After Taxation	443.26	3,288.46	(141.54)	(0.13)	(307.14)	(0.54)	335.92	(1,801.68)	(45.07)
14	Proposed Dividend	-	-	-	-	-	-	-	-	-
15	% of Shareholding	100.00%	63.96%	100.00%	100.00%	72.65%	72.65%	100.00%	100.00%	100.00%

INDEPENDENT AUDITOR'S REPORT

To the Members of Everest Kanto Cylinder Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements 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, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
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 the other auditors on separate financial statements and on the other financial information of the subsidiaries and a branch, as referred to in paragraph 16 below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group, and its joint venture, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 ('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 we

have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 53 to the accompanying consolidated financial statements 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 ₹ 8,942.27 lakhs, ₹ 1,355.41 lakhs, ₹ 42.28 lakhs and ₹ 2,297.23 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 statements. Accordingly, the accompanying consolidated financial statements do not include any consequential adjustments with respect to such delays/defaults. Our report is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and a branch, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of deferred tax assets</p> <p>The carrying value of deferred tax assets as at 31 March 2020 on carry forward losses, unabsorbed depreciation and Minimum Alternate Tax (MAT) credit as per Income-tax Act, 1961 of the Holding Company is ₹ 6,791.45 lakhs, as disclosed in Note 8 to the accompanying consolidated financial statements.</p> <p>Ind AS 12, 'Income Taxes', requires deferred tax assets to be recognised for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilised.</p> <p>The Holding Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits, including the impact of COVID-19 pandemic, that Holding Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961.</p> <p>We have considered it as a key audit matter, because of the amounts involved and significant management judgement in assessing the probability of generation of future taxable profits to utilise the recognised deferred tax assets.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets based on the assessment of Holding Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws; • Reconciled the future taxable profit projections to future business plans of the Holding Company as approved by the Board of Directors; • Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions; • Tested the arithmetical accuracy of the calculations included in the management projections; • Performed independent sensitivity analysis to test the impact of possible variations in key assumptions; • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, 'Income Taxes'; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in respect of deferred tax assets in accordance with applicable accounting standards.

In addition to the above, the auditors of CP Industries Holdings, Inc., a step down subsidiary of the Holding Company, have reported below key audit matter.

<p>Inventories</p> <p>Work-in-progress inventory per CP Industries Holdings, Inc. inventory reporting system was not timely reconciled to the general ledger at 31 March 2020 resulting in an approximately ₹ 122.13 lakhs (USD 1.62 lakhs) adjustment identified during the audit that decreased work-in-progress inventory and increased cost of goods sold;</p> <p>The company identified certain trailer leases placed in service during 2019, but had previously written off during the 31 March 2019 audit. The entry resulted in the capitalisation of property,</p>	<ul style="list-style-type: none"> • We requested CP Industries Holdings, Inc. to reconcile the inventory reporting system to the general ledger which resulted in the approximately ₹ 122.13 lakhs (USD 1.62 lakhs) adjustment being recorded. We also requested evidence that the same issue did not exist at the prior fiscal year end which was successfully provided. • We requested CP Industries Holdings, Inc. to conduct a slow-moving/obsolete inventory review and to provide us with memorandums detailing their review of these items and
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plant and equipment of ₹ 535.99 lakhs (USD 7.11 lakhs), reduction to cost of sales of ₹ 333.21 lakhs (USD 4.42 lakhs), reduction to WIP of ₹ 202.78 lakhs (USD 2.69 lakhs), and an increase to depreciation of ₹ 27.14 lakhs (USD 0.36 lakhs); and

Additionally, CP Industries Holdings, Inc. did not update their detailed analysis of slow-moving / obsolete raw material pipe and work-in-progress inventories as part of their annual closing process. Management believed that the analysis performed at 31 March 2019 was still applicable and there were no changes to this analysis were warranted.

conclusion that no additional reserves for slow moving or obsolete inventory. We then discussed the memorandums with CP Industries Holdings, Inc. and performed audit testing on the specific items included in the memorandums. As a result of these matters, we are reporting material weaknesses in internal control.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements.

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 the assets 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and 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 Board of Directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its joint venture, are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 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 these consolidated financial statements.

12. As part of an audit in accordance with 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 financial statements, 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 consolidated 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 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 consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities and a branch included in the consolidated financial statements, which have been audited by 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.

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements / financial information of eight subsidiaries included in the consolidated financial statements and a branch included in the audited separate financial statements of an entity included in the Group, whose financial statements / financial information (before eliminating inter company balances / transactions) reflects total assets of ₹ 126,471.09 lakhs and net assets of ₹ 67,014.26 lakhs as at 31 March 2020, total revenues of ₹ 27,860.60 lakhs and net cash inflows amounting to ₹ 294.51 lakhs for the year ended on that date, as considered in the respective audited separate financial statements / financial information of the entities included in the Group. These 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a branch, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a branch, are based solely on the reports of the other auditors and the branch auditor.

Further, of these subsidiaries and a branch, five subsidiaries are located outside India whose financial statements and other 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 located outside India 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 on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial information of a subsidiary, whose financial information (before eliminating inter company balances / transactions) reflects total assets of ₹ 1,370.95 lakhs and net assets of ₹ (344.42) lakhs as at 31 March 2020, total revenues of ₹ 2,362.38 lakhs and net cash outflows amounting to ₹ 7.17 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information has not been audited by us. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and a joint venture, are 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

18. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that three subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiary companies.
19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and a branch, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the report on the accounts of the branch office of the Holding Company covered under the Act, audited under Section 143(8) of the Act by branch auditor has been sent to us, and have been properly dealt with in preparing this report ;
 - d) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - e) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
 - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its

subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

- g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 the other auditors on separate financial statements and on the other financial information of the subsidiaries and a branch:
- the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Note 44 to the consolidated financial statements;
 - the Holding Company and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

- iii. following are the instances of delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company;

Name of company	Status	(₹ in lakhs)	Due date	Date of payment
Everest Kanto Cylinder Limited	Holding Company	1.36	15 September 2019	20 February 2020

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.:042423

UDIN: 20042423AAAADU4418

Place : Mumbai

Date: 10 July 2020

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

Annexure A to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited on the consolidated financial statements for the year ended 31 March 2020

Independent Auditor's Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements 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, as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its three subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its three subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its three subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial

statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its three subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of three subsidiary companies, the Holding Company and its three subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company and its three subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three

subsidiary companies, which are companies covered under the Act, whose financial statements (before eliminating inter company balances / transactions) reflect total assets of ₹ 537.10 lakhs and net assets of ₹ (1,069.68) lakhs as at 31 March 2020, total revenues of ₹ 1,000.86 lakhs and net cash outflows amounting to ₹ 70.29 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to consolidated financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its three subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such three subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 20042423AAAADU4418

Place : Mumbai

Date: 10 July 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

	Note No.	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
I ASSETS			
1 Non-current assets			
Property, plant and equipment	2	33,774.48	32,820.04
Capital work-in-progress	3	2,630.72	1,837.57
Intangible assets	4	88.97	103.54
Investment accounted for using equity method		-	-
Financial assets			
Investments	5	297.83	278.85
Loans	6	252.89	247.49
Other financial assets	7	23.52	235.95
Deferred tax assets (net)	8	5,291.98	5,713.62
Current tax assets (net)		467.07	21.88
Other non-current assets	9	1,675.07	87.64
		<u>44,502.53</u>	<u>41,346.58</u>
2 Current assets			
Inventories	10	30,279.23	30,705.24
Financial assets			
Investments	11	-	2.99
Trade receivables	12	11,837.87	12,171.32
Cash and cash equivalents	13	1,560.39	831.79
Bank balances other than cash and cash equivalents	14	2,287.80	2,158.24
Loans	15	207.63	1,608.08
Other financial assets	16	425.98	418.99
Other current assets	17	4,389.48	3,346.78
		<u>50,988.38</u>	<u>51,243.43</u>
Assets classified as held for sale	18	8,376.00	9,955.60
TOTAL ASSETS		<u>103,866.91</u>	<u>102,545.61</u>
II EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	19	2,244.15	2,244.15
Other equity	20	51,602.04	49,526.50
Equity attributable to owners		<u>53,846.19</u>	<u>51,770.65</u>
Non-controlling interests		(75.00)	9.17
Total equity		<u>53,771.19</u>	<u>51,779.82</u>
2 Liabilities			
(i) Non-current liabilities			
Financial liabilities			
Borrowings	21	5,256.92	8,857.49
Other financial liabilities	22	1,607.77	-
Provisions	23	2,452.82	1,781.86
		<u>9,317.51</u>	<u>10,639.35</u>
(ii) Current liabilities			
Financial liabilities			
Borrowings	24	18,251.51	18,120.18
Trade payables			
Total outstanding dues to micro and small enterprises	25	437.92	362.97
Total outstanding dues of creditors other than micro enterprises		6,378.40	5,423.32
Other financial liabilities	26	8,122.23	9,448.45
Other current liabilities	27	6,719.90	5,882.47
Provisions	28	532.16	334.41
Current tax liabilities (net)		16.90	142.84
		<u>40,459.02</u>	<u>39,714.64</u>
Liabilities directly associated with assets classified as held for sale		<u>319.19</u>	<u>411.80</u>
TOTAL EQUITY AND LIABILITIES		<u>103,866.91</u>	<u>102,545.61</u>
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these consolidated financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

Place : Mumbai

Date : 10 July 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

	Note No.	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
Continuing operations			
Revenue from operations	29	76,051.51	70,208.59
Other income	30	668.49	532.93
Total Income		76,720.00	70,741.52
Expenses:			
Cost of materials consumed	31	37,563.65	35,057.27
Purchases of stock-in-trade	32	2,152.34	2,307.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	2,315.16	(965.91)
Employee benefits expense	34	8,322.90	7,990.54
Finance costs	35	3,585.52	3,561.78
Depreciation and amortisation	4A	4,334.30	3,028.75
Other expenses	36	16,097.19	16,644.41
Total Expenses		74,371.06	67,624.62
Profit before provision for doubtful debts, foreign exchange variation gain / (loss), share of profit / (loss) of joint venture, exceptional items and tax		2,348.94	3,116.90
Provision for doubtful debts	41A	(64.97)	(13.90)
Foreign exchange variation gain / (loss)		(702.86)	732.51
Profit before share of profit / (loss) of joint venture, exceptional items and tax		1,581.11	3,835.51
Share of profit / (loss) of joint venture		-	(0.91)
Profit before exceptional items and tax		1,581.11	3,834.60
Exceptional items gain / (loss) (net)	37	118.94	(1,207.59)
Profit before tax from continuing operations		1,700.05	2,627.01
Tax expense / (credit)	38		
Current tax		535.55	1,022.02
Deferred tax		491.01	(5,707.31)
		1,026.56	(4,685.29)
Profit after tax from continuing operations		673.49	7,312.30
Discontinued operations	46		
Profit / (Loss) from discontinued operations before tax		(459.17)	(1,470.49)
Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations after tax		(459.17)	(1,470.49)
Profit / (Loss) after tax from total operations		214.32	5,841.81
Other comprehensive income	39		
(a) Items that will not be reclassified to profit or loss		(693.52)	(125.49)
(b) Tax (expense) / credit on items that will not be reclassified to profit or loss		(3.95)	(35.51)
(a) Items that will be reclassified to profit or loss		2,639.28	1,692.82
(b) Tax (expense) / credit on items that will be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		1,941.81	1,531.82
Total comprehensive income for the year		2,156.13	7,373.63
Net profit for the year attributable to:			
Equity shareholders of the Holding Company		298.49	5,868.69
Non-controlling interests		(84.17)	(26.88)
Total comprehensive income for the year attributable to:			
Equity shareholders of the Holding Company		2,240.30	7,400.51
Non-controlling interests		(84.17)	(26.88)
Earnings per share:	50(a)		
Basic & Diluted (in ₹)			
(i) Continuing operations		0.67	6.54
(ii) Discontinued operations		(0.41)	(1.31)
(iii) Total operations		0.26	5.23
Face value per share (in ₹)		2.00	2.00
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these consolidated financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

Consolidated Statement of Profit and Loss

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Equity share capital

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2018	19	11,22,07,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2019		11,22,07,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2020		11,22,07,682	2,244.15

Other equity (Refer note 20)

(₹ in lakhs)

	Reserves and surplus			Other reserves		Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Fair value through other comprehensive income - Equity investments		
Opening balance as at 1 April 2018	24,789.64	7,491.00	10,085.54	(641.91)	401.72	36.05	42,162.04
Transactions during the year							
Net profit / (loss) for the year	-	-	5,868.69	-	-	(26.88)	5,841.81
Other comprehensive income / (loss) for the year	-	-	7.79	1,692.82	(168.79)	-	1,531.82
Closing balance as at 31 March 2019	24,789.64	7,491.00	15,962.02	1,050.91	232.93	9.17	49,535.67
Transactions during the year							
Transitional adjustment on adoption of Ind AS 116, 'Leases' (net of tax) [Refer note 50(b)]	-	-	(164.76)	-	-	-	(164.76)
Net profit / (loss) for the year	-	-	298.49	-	-	(84.17)	214.32
Other comprehensive income / (loss) for the year	-	-	(712.50)	2,639.28	15.03	-	1,941.81
Closing balance as at 31 March 2020	24,789.64	7,491.00	15,383.25	3,690.19	247.96	(75.00)	51,527.04

The accompanying notes are an integral part of these consolidated financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
A. Cash flow from operating activities		
Profit / (Loss) before tax from:		
Continuing operations	1,700.05	2,627.01
Discontinued operations	(459.17)	(1,470.49)
Adjustments for :		
Excess provision written back	(32.66)	(61.05)
Bad debts / advances written off	363.56	411.77
Liabilities no longer required written back	(162.64)	(93.49)
Provision for doubtful debts (net)	13.32	7.09
Excess provision written back of inventories	(258.94)	(98.46)
Depreciation and amortisation	4,334.30	3,028.75
Impairment of property, plant and equipment	291.35	1,306.05
Loss on sale of property, plant and equipment (net)	32.56	59.49
Interest income	(199.77)	(287.83)
Finance costs	3,585.52	3,561.78
Operating profit before working capital changes	9,207.48	8,990.62
Adjustment for movements in:		
(Increase) / decrease in trade and other receivables	(1,038.86)	(3,394.53)
(Increase) / decrease in inventories	684.95	(3,876.20)
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	1,330.91	3,918.00
Cash generated from / (used in) operating activities	10,184.48	5,637.89
Direct taxes paid (net of refunds)	(989.00)	(275.36)
Net cash generated from / (used in) operating activities	9,195.48	5,362.53
B. Cash flow from investing activities		
Inflow:		
Interest income received	244.49	206.22
Fixed deposits matured	82.51	-
Sale proceeds of current investments (net)	2.99	-
Sale proceeds of property, plant and equipment	146.49	2,391.90
Advance received against sale of property, plant and equipment	-	1,328.00
Repayment of inter-corporate deposit	1,212.00	171.48
	1,688.48	4,097.60
Outflow:		
Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	3,493.61	2,655.38
Refund of excess advance received against sale of property, plant and equipment	15.37	-
Fixed deposits placed	-	3.64
	3,508.98	2,659.02
Net cash generated from / (used in) investing activities	(1,820.50)	1,438.58

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
C. Cash flow from financing activities		
Inflow:		
Proceeds from current borrowings (net)	55.66	1,035.42
	<u>55.66</u>	<u>1,035.42</u>
Outflow:		
Repayment of non-current borrowings (net)	4,521.83	5,069.66
Finance costs paid	3,236.02	3,569.25
Finance costs on lease obligations paid	133.00	-
Repayment of lease obligations	338.75	-
Unclaimed dividend	1.36	3.81
	<u>8,230.96</u>	<u>8,642.72</u>
Net cash used in financing activities	<u>(8,175.30)</u>	<u>(7,607.31)</u>
D. Change in currency fluctuation reserve arising on consolidation	<u>1,528.92</u>	<u>736.52</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	<u>728.60</u>	<u>(69.68)</u>
Add: Cash and cash equivalents at the beginning of the year	831.79	901.46
Cash and cash equivalents at the end of the year (Refer note 13)	<u>1,560.39</u>	<u>831.79</u>
Cash and cash equivalents as per above comprises of the following:		
Cash on hand	94.70	40.35
Balances with banks	1,465.69	791.44
Cash and cash equivalents at the end of the year	<u>1,560.39</u>	<u>831.79</u>

Notes:

- (i) Figures in brackets represent cash outflow.
- (ii) The above Consolidated Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, Cash Flows Statement.

This is the Statement of Cash Flows referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1:

Significant accounting policies and other explanatory information

1. Group information

Everest Kanto Cylinder Limited (the 'Company' or the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group') and a joint venture are engaged in the manufacture of high pressure seamless gas cylinders and other cylinders, equipments, appliances and tanks with their parts and accessories used for containing and storage of natural gases and other gases, liquids and air. Further, the Group is engaged in the trading of fire equipment. The Holding Company is also engaged in trading of castor oil. The registered and corporate office of the Holding Company is situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400021, Maharashtra, India.

2. Basis of Preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act. The financial statements were authorised for issue by the Board of Directors of the Company on 10 July 2020.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) Defined benefit plans - plan assets measured at fair value.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the entity's normal operating cycle and other criteria set out in Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to two decimals of the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3. Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

(b) Joint venture

Investments in joint venture is accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance Sheet.

(c) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 9 below.

Refer note 47 for the list of subsidiaries and joint venture considered in the Consolidated financial statement.

4. Property plant and equipment (including Capital work-in-progress)

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

- i. Cost of leasehold land is amortised over the period of the primary/secondary period of lease;
- ii. Depreciation on the property plant and equipment of the Holding Company, Calcutta Compressions and Liquefaction Engineering Limited and EKC International FZE, subsidiary of the Holding Company have been provided on the straight line method as per the useful life prescribed in Schedule II to the Act, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the assets has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and equipment: 8 to 30 years

Gas cylinders: 25 years

Further, significant components of each of the individual assets are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset.

In respect of certain foreign subsidiaries, depreciation has been charged on pro-rata basis at the rates and

methods as prescribed in the respective local regulations of the country of incorporation, which generally represents useful life of these assets.

- iii. Depreciation on additions to or on sale / disposal of property, plant and equipment is calculated pro-rata from the date of such addition or up to the date of such sale / disposal, as the case may be.
- iv. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss.
- v. On transition to Ind AS, the Group had elected to continue with carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

5. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives. The assets' useful lives are reviewed at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

On transition to Ind AS, the Group had elected to continue with carrying value of all its intangible assets as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible asset.

6. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Group as a lessee

At lease commencement date, the Group recognises a right-of-use assets and a lease liabilities on the balance sheet. The right-of-use assets is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Group and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date of lease, the Group measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

Group as a lessor

Leases for which the Group is a lessor classified as finance or operating lease

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

7. Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

8. Inventories

- a. The inventories resulting from intra-group transactions are stated at cost after deducting unrealised profit on such transactions;
- b. Goods in transit are stated 'at cost';
- c. Other inventories are stated 'at cost or net realisable value', whichever is lower;
- d. 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used is 'First In First Out', 'Weighted Average cost' or 'Specific identification', as applicable.
- e. Stores and spares, excluding certain gases are charged to Consolidated Statement of Profit or Loss during the reporting period in which they are purchased.

9. Investments and financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in consolidated statement of profit or loss.

(iii) Measurement of Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

- (a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (b) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

(iv) Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Changes in the fair value of financial assets at FVTPL are recognised in other gain / (losses) in the Consolidated Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income (FVOCI) are not reported separately from other changes in fair value.

(v) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(vi) De-recognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

10. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the consolidated statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

11. Asset classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

An impairment loss is recognised for any initial recognition or subsequent written down of the assets to the fair value less cost to sell of an asset. A gain is recognised for any subsequent increase in the fair value less cost to sell of an asset but not in excess of cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets held for sale are presented separately from the other assets in the balance sheet

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Segment Reporting

Segment information is reported in a manner consistent with the internal reporting provided to the chief executive officer, the chief financial officer and the chairman and managing director of the Holding Company, all of them constitute as chief operating decision maker ('CODM').

13. Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Consolidated Statement of Profit and Loss. The gain / (loss) is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

14. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

15. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage

of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the consolidated financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

16. Revenue recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers, at an amount that reflects the consideration expected to be received by the Group in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted to discounts and returns, etc., if any.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- ii) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of goods is recognised at a point in time when the control of the goods is transferred to the customer.

Revenue in case of local sales is generally recognised on the dispatch of goods. Revenue from export sales are generally accounted for on the basis of the dates of "On Board Bill of Lading". The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from shipping and handling services are recognised over the period of time on the basis of satisfaction of performance obligation.

In case of revenue from long contracts, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

expenses and profit which can be attributed to the proportion of work completed. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Consolidated Statement of Profit and Loss. Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

17. Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in Consolidated Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

18. Employee Benefits

A) Short-term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

B) Post-employment obligations

- i) **Defined contribution plans:** Group's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.
- ii) **Gratuity:** The Group has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on Projected Unit Credit Method and the charge for current year is debited to the Consolidated Statement of Profit and Loss. Actuarial gains and losses arising on the measurement / remeasurement of defined benefit obligation is charged / credited to other

comprehensive income. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

- iii) **Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

Retirement Plans (CP Industries Holdings Inc.):

The Subsidiary has a non-contributory defined benefit pension plan covering all union employees hired prior to 1 June 2006. The benefits are based on years of services and the applicable compensation levels under the plan. Its funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in the future.

It also has two 401(k) savings plans which cover substantially all union and non-union employees. For both plans, the subsidiary matches a percentage of the employees' contributions up to the maximum level.

- C) **Termination Benefits:** These are recognised as an expense in the Consolidated Statement of Profit and Loss of the year in which they are incurred.

19. Foreign currency transactions and translations

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Holding Company's functional and presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on their settlement and restatement are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated.

For the purpose of consolidation, the amounts appearing in foreign currencies in the financial statements of the foreign subsidiaries are translated at the following rates of exchange:

- i. assets and liabilities are translated at the closing rate at the date of that balance sheet; and
- ii. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

On Consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

20. Income tax

Income tax expense comprises current tax expense and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Consolidated Statement of Profit and Loss, except when they relate to item that are recognised in Other comprehensive income / (loss) or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income / (loss) or directly in Equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax asset are recognised to the extent that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT credit is recognised as deferred tax assets in the Consolidated Balance Sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

21. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the cost they are intended to compensate, and presented within other

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

income.

Grant relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit and Loss on straight-line basis over the expected lives of the related assets, and presented within other income.

22. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Holding Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Basic and diluted earnings per share are disclosed separately for continuing and discontinued operations.

23. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

24. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

25. Exceptional items

When items of income and expense within Consolidated Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant

to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

26. Standards issued but not effective

There are no standards that are issued but not yet effective on 31st March 2020.

27. Critical estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Group Management that affect the reported amounts of assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The Group Management believes that these estimates are prudent and reasonable and are based upon the Group Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- i) Estimation of provision for inventory - refer note 10
- ii) Estimated useful life of property, plant and equipment and intangible assets – refer notes 2 and 3
- iii) Impairment of carrying value of property, plant and equipment – refer note 2
- iv) Fair value less cost to sell for assets classified as held for sale – refer note 18
- v) Estimation of current tax expenses and recognition of deferred tax assets on brought forward losses, unabsorbed depreciation, minimum alternate tax credit and other temporary differences - refer note 38
- vi) Probable outcome of matters included under Contingent Liabilities - refer note 44
- vii) Provision for doubtful debts / loans - refer note 6, 12, 15
- viii) Estimation of Defined benefit obligation - refer note 45
- ix) Estimated fair value of investments in Everest Kanto Investment and Finance Private Limited - Refer note 40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
2 Property, plant and equipment

	Right to Use Assets													(₹ in lakhs)	
	Freehold land	Leasehold land [Refer note (i) below]	Buildings [Refer note (ii) below]	Plant and equipment	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equipment	Com-puters	Gas Cylinders	Gas Cylinders given on lease	Electrical Installations	Leasehold land [Refer note (i) below]	Build-ings	Total	Note 3: Capital work-in-progress [Refer note (18)(iv)]
Gross carrying amount															
Balance at 1 April 2018	808.47	688.31	16,945.18	52,241.71	630.82	661.42	268.07	1,072.96	836.78	-	1,148.12	-	-	75,301.84	
Additions / Transfer of assets [Refer note 31 and note (viii) below]	-	-	1,284.73	909.75	9.74	176.92	21.58	18.50	-	193.49	14.65	-	-	2,629.36	
Disposals [Refer note (iv) below]	-	-	11.38	-	-	8.38	1.72	1.16	53.00	-	-	-	-	75.64	
Assets classified as held for sale	-	419.56	-	-	-	-	-	-	-	-	-	-	-	419.56	
Foreign currency translation adjustments	36.04	-	607.57	1,571.04	24.73	25.03	2.71	17.26	-	-	35.41	-	-	2,319.79	
Balance as at 31 March 2019	844.51	268.75	18,826.10	54,722.50	665.29	854.99	290.64	1,107.56	783.78	193.49	1,198.18	-	-	79,755.79	
Reclassified on account of adoption of Ind AS 116, 'Leases' [Refer note 50(b)]	-	268.75	-	-	-	-	-	-	-	-	-	268.75	-	-	
Transition impact on account of adoption of Ind AS 116, 'Leases' [Refer note 50(b)]	-	-	-	-	-	-	-	-	-	-	-	-	1,946.25	1,946.25	
Additions / Transfer of assets [Refer notes 18(iv) and 33]	1.31	-	879.81	674.39	19.42	134.61	17.11	45.63	95.34	504.00	45.30	-	11.71	2,428.63	
Disposals [Refer note (iv) below]	-	-	-	11.34	-	36.57	-	-	-	-	-	-	-	47.91	
Assets classified as held for sale [Refer note (vii) below]	10.94	-	72.42	349.02	0.55	23.17	1.80	3.63	220.01	-	0.95	-	-	682.49	
Reclassification of gas cylinders given on lease	-	-	-	-	-	-	-	-	193.49	193.49	-	-	-	-	
Foreign currency translation adjustments	54.27	-	835.03	2,287.05	31.61	36.53	4.93	27.87	-	32.05	53.32	-	27.86	3,390.52	
Balance as at 31 March 2020	889.15	-	20,468.52	57,323.58	715.77	966.39	310.88	1,177.43	852.60	536.05	1,295.85	268.75	1,985.82	86,790.79	
Accumulated depreciation															
Balance as at 1 April 2018	-	257.09	4,864.73	33,208.70	395.86	244.85	235.13	992.02	516.20	-	648.52	-	-	41,363.10	
Depreciation charge for the year	-	0.59	491.39	2,214.87	37.68	82.97	10.05	29.19	15.52	2.98	122.86	-	-	3,008.10	
On disposals [Refer note (iv) below]	-	-	1.61	-	-	2.86	0.46	0.15	10.02	-	-	-	-	15.10	
Assets classified as held for sale	-	89.89	-	-	-	-	-	-	-	-	-	-	-	89.89	
Foreign currency translation adjustments	-	-	157.08	1,150.34	13.82	7.43	2.55	16.10	-	-	16.17	-	-	1,363.49	
Impairment [Refer note (v) below]	-	-	-	1,306.05	-	-	-	-	-	-	-	-	-	1,306.05	
Balance as at 31 March 2019	-	167.79	5,511.59	37,879.96	447.36	332.39	247.27	1,037.16	521.70	2.98	787.55	-	-	46,935.75	
Reclassified on account of adoption of Ind AS 116, 'Leases' [Refer note 50(b)]	-	167.79	-	-	-	-	-	-	-	-	-	167.79	-	-	
Depreciation charge for the year	-	-	604.88	3,010.26	32.57	96.80	14.78	44.38	25.10	30.11	108.79	1.29	343.67	4,312.63	
On disposals [Refer note (iv) below]	-	-	-	6.39	-	30.42	-	-	-	-	-	-	-	36.81	
Reclassification of gas cylinders given on lease	-	-	-	-	-	-	-	-	2.98	2.98	-	-	-	-	
Assets classified as held for sale [Refer note (vii) below]	-	-	16.70	226.46	0.50	22.02	1.17	1.97	197.52	-	0.82	8.26	-	475.42	
Foreign currency translation adjustments	-	-	306.96	1,867.32	21.32	14.77	4.42	27.45	-	1.93	35.99	-	-	2,280.16	
Balance as at 31 March 2020	-	-	6,406.73	42,524.69	500.75	391.52	265.30	1,107.02	352.26	32.04	931.51	160.82	343.67	53,016.31	
Net carrying amount															
As at 31 March 2019	844.51	100.96	13,314.51	16,842.54	217.93	522.60	43.37	70.40	262.08	190.51	410.63	-	-	32,820.04	1,837.57
As at 31 March 2020	889.15	-	14,061.79	14,798.89	215.02	574.87	45.58	70.41	500.34	504.01	364.34	107.93	1,642.15	33,774.48	2,630.72

Notes :

- Execution of lease deed is pending for two land parcels acquired at Tarapur Plant of the Holding Company aggregating ₹111.42 lakhs (31 March 2019: ₹111.42 lakhs).
- Includes ₹ 750 (31 March 2019: ₹ 750) paid for shares acquired by Holding Company in co-operative societies.
- Includes vehicles in the personal name of directors of the Holding Company having gross carrying amount of ₹ 100 lakhs and net carrying amount of ₹ 40.56 lakhs [(31 March 2019 ₹ 112 lakhs and net carrying amount of ₹ 58.76 lakhs)]
- Includes adjustments on account of translation of balances in foreign currency of assets, other than assets classified as held for sale.
- The assets of the Holding Company include certain property, plant and equipment having net carrying amount of ₹ 4,500.29 lakhs as at 31 March 2020 [₹6,890.65 lakhs (before impairment) as at 31 March 2019] which have remained idle for a considerable period due to contraction in demand. Accordingly, management has performed impairment test on these assets and have recorded an impairment provision of ₹ Nil (₹ 1,306.05 lakhs during the year ended 31 March 2019). Recoverable amount of the asset is derived by reducing cost of disposal from fair value.
Details of valuation-
a) Level of the fair value hierarchy – Level 3
b) Description of the valuation technique – Cost approach
- c) Key assumptions – Salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.
- 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 year ended 31 March 2020. Refer notes 18 & 37.
- During the year ended 31 March 2019, office premises at Mumbai having book value ₹1,235.68 lakhs has been transferred from 'Assets classified as held for sale' to Property, plant and equipment, as the same is being now used by the Holding Company for business purposes.
- Information on property, plant and equipment pledged as security by the Company (Refer note 52)
- Disclosure of contractual commitments for the acquisition of property, plant and equipment [Refer note 44(d)]

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4 Intangible assets

(₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 2018	443.10	443.10
Additions	8.61	8.61
Disposals	-	-
Foreign currency translation adjustments	11.67	11.67
Balance at 31 March 2019	463.38	463.38
Additions	0.93	0.93
Disposals	-	-
Foreign currency translation adjustments	18.60	18.60
Balance at 31 March 2020	482.91	482.91
Accumulated amortisation		
Balance as at 1 April 2018	333.76	333.76
Amortisation charge	20.65	20.65
On disposals	-	-
Foreign currency translation adjustments	5.43	5.43
Balance as at 31 March 2019	359.84	359.84
Amortisation charge for the year	21.67	21.67
On disposals	-	-
Foreign currency translation adjustments	12.43	12.43
Balance as at 31 March 2020	393.94	393.94
Net carrying value		
As at 31 March 2019	103.54	103.54
As at 31 March 2020	88.97	88.97

4A Depreciation and amortisation of continuing operations

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	4,312.63	3,008.10
Amortisation on intangible assets	21.67	20.65
Less: Depreciation and amortisation expense of discontinued operations	-	-
Total	4,334.30	3,028.75

5 Non-current investments

(₹ in lakhs)

	Face value of shares	As at 31 March 2020		As at 31 March 2019	
		Quantity (Number)	₹ in Lakhs	Quantity (Number)	₹ in Lakhs
Investments in equity shares (Unquoted, fully paid-up)					
(i) Equity investments measured at fair value through other comprehensive income					
Everest Kanto Investment & Finance Private Limited	INR 10	115,000	288.27	115,000	269.29
GPT Steel Industries Private Limited	INR 10	20,00,000	-	20,00,000	-
Tarapur Environment Protection Society	INR 100	5,852	9.56	5,852	9.56
Total			297.83		278.85
Aggregate amount of unquoted investments			297.83		278.85
Aggregate amount of impairment in value of investments			-		-

Refer note 40 for information about fair value measurement, credit risk and market risk of investments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
6 Non-current loans		
Unsecured considered good, unless otherwise stated		
Security deposits		
- Considered good	252.89	247.49
- Significant increase in credit risk	-	-
- Considered credit impaired	239.00	254.00
Less: Impairment allowance		
- Credit impaired	(239.00)	(254.00)
Total	252.89	247.49
Refer note 41 for information about credit risk and market risk for loans		
7 Other non-current financial assets		
Unsecured, considered good		
Deposits with maturity of more than 12 months*	23.52	235.95
Total	23.52	235.95
*Margin money against bank guarantees availed from bank.		
8 Deferred tax assets (net)		
Deferred tax liability on account of :		
Depreciation and amortisation	3471.06	3775.40
Financial liabilities measured at amortised cost	7.10	21.29
Financial assets measured at fair value through other comprehensive income	3.95	-
	3,482.11	3,796.69
Deferred tax assets on account of :		
Transition impact on account of adoption of Ind AS 116, 'Leases' [Refer note 50(b)]	60.30	-
Provision for doubtful debts / deposits / advances / other receivables, etc.	1,809.51	1,714.02
Provision for employee benefits	82.87	90.60
Provision for sales returns	7.89	7.90
Unrealised profits on closing stock	22.07	31.34
Unabsorbed depreciation as per tax laws	1,358.37	1,358.37
Carried forward business losses as per tax laws	3,465.84	4,875.65
Minimum alternate tax credit entitlement	1,967.24	1,432.43
	8,774.09	9,510.31
Total	5,291.98	5,713.62
Also refer note 38(B).		

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 had 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 ₹ 5,707.31 lakhs recognised on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
9 Other non-current assets		
Capital advances	1,660.06	72.63
Deposits with government authorities	15.01	15.01
Total	1,675.07	87.64
10 Inventories		
Raw materials and components [Including goods in transit ₹ 963.60 lakhs (31 March 2019 ₹ Nil)]	12,842.16	11,785.80
Less: Provision for diminution in value*	(351.81)	(610.75)
	12,490.35	11,175.05
Work-in-progress	13,437.34	16,283.57
Less: Provision for diminution in value	(232.07)	(232.07)
	13,205.27	16,051.50
Finished goods	2,551.85	2,446.26
Finished goods - In transit	963.00	177.68
Stock-in-trade	1,038.71	808.49
Stores and spares	30.05	46.26
Total	30,279.23	30,705.24
* Refer note 37		
11 Current investments		
Investment in Mutual Funds - quoted (measured at fair value through profit and loss)		
LIC Liquid Fund - Dividend Plan - Nil units (31 March 2019: 163.72 units)	-	1.80
UTI Liquid Fund - Cash Plan Institutional - Daily Income - Nil units (31 March 2019: 116.72 units)	-	1.19
Total	-	2.99
Aggregate amount of quoted investments and market value thereof	-	2.99
Aggregate amount for impairment in value of investments	-	-
12 Trade receivables (current)		
Trade receivables (Refer notes 53 and 55)	13,700.85	14,008.36
Less : Provision for doubtful debts	(1,862.98)	(1,837.04)
Total	11,837.87	12,171.32
Break up of trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	11,837.87	12,171.32
- Significant increase in credit risk	-	-
- Credit impaired	1,862.98	1,837.04
Less : Impairment allowance		
- Allowance for expected credit loss	(48.16)	(40.57)
- Credit impaired	(1,814.82)	(1,796.47)
Total	11,837.87	12,171.32

Refer note 41 for information about credit risk and market risk of trade receivables

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
13 Cash and cash equivalents		
Balances with banks		
- In current accounts	1,421.78	782.20
- In EEFC accounts	43.91	9.24
Cash on hand	94.70	40.35
Total	1,560.39	831.79
There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.		
14 Bank balances other than cash and cash equivalents		
Security against borrowings	925.56	1,055.67
Margin money against guarantees and working capital facilities	1,097.54	850.82
Margin money against letter of credit	256.24	240.46
Deposits with maturity of more than 3 months but less than 12 months	7.09	8.56
Earmarked balances - unpaid dividend accounts	1.37	2.73
Total	2,287.80	2,158.24
15 Current loans		
Inter-corporate deposit	66.91	1,450.36
Security deposits	118.03	119.02
Others	22.69	38.70
Total	207.63	1,608.08
Break up of loan receivables		
- Secured, considered good	-	-
- Unsecured, considered good	207.63	1,608.08
- Significant increase in credit risk	-	-
- Credit impaired	-	-
Total	207.63	1,608.08
Refer note 41 for information about credit risk and market risk for loans		
Notes:		
(i) Disclosure as per Section 186 of the Companies Act, 2013		
Hubtown Limited		
Balance as at the year end	66.91	1,450.36
Maximum amount outstanding at any time during the year	1,450.36	1,530.81
[The loan has been provided for working capital requirements and business purposes (rate of interest - 15% p.a.)]		
16 Other current financial assets		
Unsecured, considered good		
Advances and deposits recoverable*	365.61	369.16
Interest receivable:		
- Banks	55.69	45.11
- Others	4.68	4.72
Total	425.98	418.99

Note:

*Includes ₹ 10 lakhs (31 March 2019: ₹ 10 lakhs), a security deposit to a private company in which directors of the Holding Company are directors / members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
17 Other current assets		
Advances other than capital advances		
- Advances paid to suppliers	3,634.10	2,784.62
- Prepaid expenses	123.43	150.40
- Other advances	289.52	101.31
Balance with statutory authorities	303.98	271.95
Right to receive inventory	38.45	38.50
Total	4,389.48	3,346.78
18 Assets classified as held for sale		
Disposal Group (Refer note 46)	6,473.99	6,631.65
Freehold land [Refer note (i) below]	273.85	273.85
Buildings [Refer note (iii) below]	12.61	12.61
Property, plant and equipment [Refer note 2 (vii)]	67.07	-
Capital work-in-progress [Refer note (ii) below]	1,548.48	1,548.48
Property, plant and equipment [Refer note (iv) below]	-	1,489.01
Total	8,376.00	9,955.60

Notes :

- (i) During the year ended 31 March 2017, the Holding Company had entered into an agreement towards sale of agricultural land (the "Specified Assets"), situated at Gandhidham. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, the agricultural land has been continued as 'Assets classified as held for sale'. The sales consideration and carrying value of the agricultural land is USD 4 Million and ₹ 273.85 lakhs (31 March 2019: ₹ 273.85 lakhs), respectively. An amount of USD 2 Million received during the year ended 31 March 2017 as an advance against the said agricultural land has been included in Note 27 - 'Other current liabilities'.
- (ii) Pursuant to the decision of the Holding Company to sell certain items of plant and equipment forming part of Capital work-in-progress, the same has been considered as 'Assets classified as held for sale'. The carrying value of these assets are measured at the lower of its carrying amount and fair value less costs to sell.
- (iii) As at 31st March, 2020, 'Assets classified as held for sale' include premises at Mumbai having book value ₹ 12.61 lakhs (₹ 12.61 lakhs as at 31 March 2019), pursuant to the decision of the Holding Company to dispose off the same. An amount of ₹ 1,412.63 lakhs (31 March 2019 : ₹ 1,428 lakhs) received as advance against the proposed sale of aforesaid premises has been included in Note 27 - 'Other current liabilities'.
- (iv) During the year ended 31 March 2020, property, plant and equipment at China subsidiary has been transferred from Assets classified as held for sale to Property, plant and equipment aggregating ₹ 49.21 lakhs and Capital work-in-progress aggregating ₹ 1,288.45 lakhs, respectively, as the same is being now used by the Holding Company for business purposes. These assets are measured at lower of its carrying amount before the assets were classified as held for sale, adjusted for depreciation, that would have been recognised had the assets not been classified as held for sale and its recoverable amount on the date of reclassification. An impairment loss of ₹ 151.35 lakhs has been recognised on the aforesaid reclassification and is forming part of Loss from discontinued operations. Refer note 46.
- (v) Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

The fair value of the land has been determined based on contractual rate agreed with the buyer. The fair value of the building was determined based on valuation report by independent valuer. The key inputs under this approach are price per square meter of comparable lots of building in the area of similar location and size. Fair value of Capital work-in-progress has been derived using cost approach wherein key assumptions used are salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.

The fair valuation has been categorised under Level 3 of the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
19 Equity share capital		
Authorised:		
12,50,00,000 equity shares (31 March 2019 : 12,50,00,000) of ₹ 2 each	2,500.00	2,500.00
Total	<u>2,500.00</u>	<u>2,500.00</u>
Issued, subscribed and paid-up:		
11,22,07,682 equity shares (31 March 2019 : 11,22,07,682) of ₹ 2 each fully paid up	2,244.15	2,244.15
Total	<u>2,244.15</u>	<u>2,244.15</u>

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	2019-20		2018-19	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	11,22,07,682	2,244.15	11,22,07,682	2,244.15
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	11,22,07,682	2,244.15	11,22,07,682	2,244.15

(ii) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to the shareholding.

(iii) Details of shareholders holding more than 5% shares in the Holding Company:

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Khurana Gases Private Limited	1,78,18,629	15.88	1,78,18,629	15.88
Ms. Suman Khurana	1,55,85,749	13.89	1,53,03,525	13.64
Mr. Prem Kumar Khurana*	1,70,18,000	15.17	1,70,18,000	15.17
Mr. Pushkar Khurana	75,03,973	6.69	75,03,973	6.69
Mr. Puneet Khurana	82,07,088	7.31	79,57,933	7.09

* including his estate, effects, heirs, legal representatives and assigns, as applicable.

20 Other equity

Securities premium	24,789.64	24,789.64
General reserve	7,491.00	7,491.00
Retained earnings	15,383.25	15,962.02
Fair value through other comprehensive income - Equity investments (FVOCI)	247.96	232.93
Foreign currency translation reserve (FCTR)	3,690.19	1,050.91
Total	<u>51,602.04</u>	<u>49,526.50</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
(i) Securities premium		
Opening Balance	24,789.64	24,789.64
Transactions during the year	-	-
Closing balance	24,789.64	24,789.64
(ii) General reserve		
Opening Balance	7,491.00	7,491.00
Transactions during the year	-	-
Closing balance	7,491.00	7,491.00
(iii) Retained earnings		
Opening Balance	15,962.02	10,085.54
Transactions during the year		
Transitional adjustment on adoption of Ind AS 116, 'Leases' (net of tax) [Refer note 50(b)]	(164.76)	-
Net profit for the year	298.49	5,868.69
Other comprehensive income / (loss) for the year	(712.50)	7.79
Closing balance	15,383.25	15,962.02
(iv) Fair value through other comprehensive income - Equity investments		
Opening Balance	232.93	401.72
Transactions during the year		
Other comprehensive income / (loss) for the year	15.03	(168.79)
Closing balance	247.96	232.93
(v) Foreign currency translation reserve		
Opening Balance	1,050.91	(641.91)
Transactions during the year		
Other comprehensive income for the year	2,639.28	1692.82
Closing Balance	3,690.19	1,050.91

Nature and purpose of reserves**Securities premium**

Securities premium is created due to premium on issues of shares. This reserve is utilised in accordance with the provisions of the Act.

General reserve

General reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.

Retained earnings

Retained earnings represents the accumulated profits / losses made by the Group over the years.

Fair value through other comprehensive income- Equity investments

The Holding Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within 'Fair value through other comprehensive income - Equity investments' reserve within equity. The Holding Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

21 Non-current borrowings**Secured**

Term loans from banks [Refer note (i) and (vii) below]	-	3,746.81
Vehicle loans from banks and financial institutions [Refer note (ii) and (v) below]	160.03	146.21
Note payable [Refer note (vi) below]	-	121.27
Finance lease obligations [Refer note (viii) below]	5.59	12.84
	165.62	4,027.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Unsecured		
Sales tax deferment loan [Refer note (iii) below]	-	285.58
Loans from related parties [Refer note (iv) below]	5,091.30	4,544.78
	5,091.30	4,830.36
Total	5,256.92	8,857.49
Refer note 41 for liquidity risk and note 52 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.		

Notes :
Everest Kanto Cylinder Limited, India
(i) Term loans from banks

Indian rupee term loan from a bank, balance outstanding ₹ 3,746.81 lakhs (31 March 2019: ₹ 7,437.66 lakhs) is secured by way of (a) first pari passu charge on the property, plant and equipment of the Company, excluding specific immovable properties (b) second pari passu charge on the current assets of the Company (c) pledge of 29.99% of the shares of the Company held by the promoters* (d) unconditional and irrevocable personal guarantees from three promoter directors* (e) exclusive charge on certain residential and commercial immovable properties owned by the Company, promoters* and group companies. The loan is repayable in three quarterly instalments starting from July 2020 with the last instalment falling due in January 2021. The interest rate of the borrowing is YBL 1Y MCLR + 2.30% i.e. 12% per annum.

(ii) Vehicle loans from banks and financial institutions

Vehicle loan from a bank, balance outstanding ₹ 9.18 lakhs (31 March 2019: ₹ 11.84 lakhs) is repayable in 60 instalments with the last instalment falling due in February 2023. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 8.35% per annum. Vehicle loan from a financial institution, balance outstanding ₹ 100.08 lakhs (31 March 2019: ₹ 114.21 lakhs) is repayable in 48 monthly instalments starting from November 2018 with the last instalment falling due in October 2022. This loan is secured by hypothecation of underlying vehicle and had a fixed rate of interest of 11.75% per annum. Vehicle loan from another financial institution, balance outstanding ₹ Nil (31 March 2019: ₹ 0.43 lakhs) is repaid in April 2019. The fixed rate of interest was 10.83% per annum of date of repayment.

(iii) Sales tax deferment loan

There was no repayment schedule for the sales tax deferment loan. The loan has been repaid during the year ended 31 March 2020.

(iv) Loans from related parties

Unsecured loans from related parties are repayable on demand and carry interest rate of 12% per annum. However, as per the terms of the loans, except for an amount of ₹ 102 lakhs (March 2019: ₹ 350 lakhs), repayment of loans cannot be demanded before 1 April 2021.

EKC International FZE, UAE
(v) Vehicle loans from banks and financial institutions

Vehicle loans from banks, balance outstanding ₹ 103.30 lakhs (31 March 2019: ₹ 99.59 lakhs) are repayable in 48 to 60 monthly instalments, with the last instalment falling due in February 2025. These loans are secured by hypothecation of underlying vehicles and are at fixed rate of interest, which ranges from 2.39% to 3.99% per annum.

CP Industries Holdings Inc. USA

(vi) The subsidiary has a note payable arrangement with a vendor that is used to purchase equipment having balance outstanding ₹ 130.41 lakhs (31 March 2019: ₹ 232.61 lakhs). Principal and interest payments on the vendor note payable are due monthly in equal instalments of ₹ 10.53 lakhs (USD 14,863) which commenced in April 2018. The interest rate of the note is 5.75% p.a. with the last instalment falling due in February 2021. The note is guaranteed by the underlying equipment.

(vii) Term loans from banks

(a) Term loan from a bank, balance outstanding ₹ 1,176.02 lakhs (31 March 2019: ₹ 1,707.87 lakhs) is due in equal monthly instalments of ₹ 46.07 lakhs (USD 65,000) with the last instalment falling due in March 2022. The borrowing is secured by substantially all the assets of the subsidiary and shares of subsidiary pledged by EKC Hungary Kft (its immediate Parent Company). The interest rate of the borrowing ranges from 2.25% p.a. to 3% p.a. based on quarterly leverage ratios plus one month LIBOR rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
(b) Delayed draw term loan from a bank, balance outstanding ₹ 502.57 lakhs (31 March 2019: ₹ 646.25 lakhs) is due in equal monthly instalments of ₹ 14.88 lakhs (USD 21,000). The monthly payments began in December 2017 with the last instalment falling due in November 2022. The borrowing is secured by substantially all the assets of the subsidiary and shares of subsidiary pledged by EKC Hungary Kft (its immediate Parent Company). The interest rate of the borrowing ranges from 2.25% p.a. to 3% p.a. based on quarterly leverage ratios plus one month LIBOR rate.		
(c) At 31 March 2020, the company is in violation of the leverage and fixed charge coverage covenants and, as a result, is in technical default of the credit agreement. A waiver from the bank has not yet been received. Accordingly, Term Loan and Delayed Draw Term Loan outstanding balances have all been classified as current maturities of non-current borrowings.		
(viii) Finance lease obligations		
The company has capital leases with financial institutions for certain plant and equipment. Interest rate ranges from 0% p.a. to 4.5% p.a. and the loan expires with various maturity dates between June 2020 to Sept 2022. The capital leases are either guaranteed by the company or by the underlying plant and equipment.		
* including their estate, effects, heirs, legal representatives and assigns, as applicable.		
22 Other financial liabilities		
Lease liabilities [Also refer note 50(b)]	1,607.77	-
Total	1,607.77	-
23 Non-current provisions		
Provision for employee benefits		
- Compensated absences	199.46	274.90
- Post retirement benefits (Refer note 45)	2,253.36	1,506.96
Total	2,452.82	1,781.86
24 Current borrowings		
Secured		
Working capital facilities from banks*	17,937.64	15,934.38
Unsecured		
Loans from others	313.87	2,185.80
Total	18,251.51	18,120.18

Refer note 52 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings

* Includes interest accrued but not due aggregating ₹ 75.67 lakhs (31 March 2019: ₹ Nil)

Note :**Everest Kanto Cylinder Limited, India**

- (i) Working capital facilities from banks, balance outstanding ₹ 6,239.49 lakhs (31 March 2019: ₹ 7,137.12 lakhs) are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on the property, plant and equipment (excluding specific property, plant and equipment) of the Company. Working capital facility from one bank has been secured by personal guarantees from two promoter directors and exclusive charge on specific immovable property and fixed deposits aggregating ₹ 500 lakhs of the Company. Working capital facility from another bank has been secured by cross collateralization charge with Indian rupee term loan on certain residential and commercial immovable properties owned by the Company, promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies. Further, working capital facility from another bank is secured by exclusive charge on specific immovable property of the Company. The interest rate of the working capital facilities ranges from 11.85% per annum to 14.30% per annum as at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Loans from other parties:		
(ii) Loan from others, balance outstanding ₹ 313.87 lakhs (31 March 2019: Nil) is unsecured and bears an interest rate of 13% per annum. EKC International FZE, UAE		
(iii) Working capital facility from a bank, balance outstanding ₹ 4,220.02 lakhs (31 March 2019: ₹ 4,349.58 lakhs) carries interest rate of six months LIBOR + 6.25% per annum. The borrowing is secured by assignment of receivables, promissory notes, lien over cash margin, undated cheques covering the exposure, possessory pledge of plant and equipment, mortgage of certain property, plant and equipment, unconditional and irrevocable corporate guarantee of the Holding Company and unconditional and irrevocable personal guarantee from director of the subsidiary.		
(iv) Working capital facility from another bank, balance outstanding ₹ 3,965.10 lakhs (31 March 2019: ₹ 1,405.29 lakhs) carries interest rate of one month LIBOR + 1.85% per annum. The borrowing is secured by pledge over fixed deposits of AED 14.50 lakhs covering the labour guarantees.		
(v) Working capital facility from another bank availed during the current year, balance outstanding ₹ Nil carries interest rate of 3M EIBOR + 5.05% per annum with minimum 7.25% p.a. payable quarterly. The borrowing is secured by cash collateral of 20% upfront for overdraft and utilisation basis for other working capital limits, undated cheques for exposure not covered by cash collateral, mortgage of certain property, plant and equipment of subsidiary's director, assignment of insurance policy covering mortgaged properties and unconditional and irrevocable personal guarantee from subsidiary's director.		
(vi) Loans from other parties: The subsidiary company had repaid a short term unsecured loan from a party during the year ended 31 March 2020 which carried interest rate of 6% per annum on date of repayment. CP Industries Holdings Inc. USA		
(vi) Working capital facilities from bank balance outstanding ₹ 3,437.36 lakhs (31 March 2019: ₹ 3,042.39) is secured by substantially all the assets of the subsidiary and shares of subsidiary pledged by EKC Hungary Kft (its immediate Parent Company). The interest rate of the borrowing ranges from 2.25% p.a. to 3% p.a. based on quarterly leverage ratios plus one month LIBOR rate.		

25 Trade payables

Total outstanding dues to micro and small enterprises [Refer note (ii) below]	437.92	362.97
Total outstanding dues of creditors other than micro enterprises (Refer note 53)	<u>6,378.40</u>	<u>5,423.32</u>
Total	<u>6,816.32</u>	<u>5,786.29</u>

Notes:

- (i) Refer note 41 for information about liquidity risk and market risk of trade payables.
- (ii) The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	437.92	362.97
- interest thereon, included in finance cost	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
26 Other financial liabilities		
Current maturities of non-current borrowings		
Term loans from banks *	5,469.43	6,122.08
Note payable	130.41	111.34
Vehicle loans from banks and financial institutions	52.53	79.86
Finance lease obligations	8.54	12.97
Loans from related parties **	234.91	350.00
Unclaimed dividends ***	1.37	2.73
Payable for capital expenditure	263.91	328.15
Lease liabilities	337.51	-
Deposits	36.83	15.38
Other liabilities	1,586.79	2,425.94
Total	8,122.23	9,448.45

* Includes interest accrued but not due aggregating ₹ 44.03 lakhs (31 March 2019: ₹ 77.11 lakhs)

** Includes interest accrued but not due aggregating ₹ 132.91 lakhs (31 March 2019: ₹ Nil)

*** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

27 Other current liabilities		
Advance from customers	3,837.26	2,811.55
Statutory dues	150.01	322.92
Advance received against sale of land [Refer note 18(i)]	1,320.00	1,320.00
Advance received against sale of property, plant and equipment [Refer note 18(iii) and note 43]	1,412.63	1,428.00
Total	6,719.90	5,882.47

28 Current provisions		
Provision for employee benefits		
- Compensated absences	14.85	37.90
- Post retirement benefits (Refer note 45)	456.28	235.40
Provision for sales returns (Refer note below)	61.03	61.11
Total	532.16	334.41

Note :

A provision is recognized for sales returns on products sold during the last six months, based on past experience of the level of returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for sales return were based on current sales levels and current information available about returns for all products sold. The table below gives information about movement in sales returns.

Opening provision for sales returns	61.11	46.78
Provision made during the year	4.67	29.08
Provision reversed during the year	4.75	14.75
Utilisation	-	-
Closing provision	61.03	61.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
29 Revenue from operations		
Sale of products		
Manufactured goods	70,659.18	64,647.96
Stock-in-trade	4,947.89	5,065.41
Other operating revenues		
Scrap sales	389.51	476.26
Testing, inspection and installation fees	54.93	18.96
Total	<u>76,051.51</u>	<u>70,208.59</u>
Note:		
Refer note 49 for details of revenue from contracts with customers.		
30 Other income		
Interest on financial assets measured at amortised cost		
- Inter-corporate deposit	3.48	193.39
- Fixed deposits	79.59	79.78
- Others	11.68	14.66
Other non-operating income (net)		
- Interest income on income tax refunds	105.02	-
- Dividend on financial assets measured at fair value through profit and loss	0.05	0.14
- Excess provision written back (Refer notes 6 & 41)	32.66	61.05
- Recovery of bad debts of earlier years	11.78	95.68
- Liabilities no longer required written back	162.64	76.33
- Maturity proceeds under keyman insurance policy	-	10.44
- Other non-operating income	261.59	1.46
Total	<u>668.49</u>	<u>532.93</u>
31 Cost of materials consumed		
Raw material and components consumed		
Opening stock	11,756.89	10,031.77
Add: Purchases	38,185.15	36,750.67
Less: Captive consumption for utilisation as property, plant and equipment	95.34	347.51
Add: Adjustments on account of discontinued operations	3.84	40.72
Add: Foreign exchange translation reserve impact	555.27	367.42
Less: Closing stock (including in transit)	12,842.16	11,785.80
Total	<u>37,563.65</u>	<u>35,057.27</u>
32 Purchases of stock-in-trade		
Castor oil	1,552.64	733.85
Fire equipment	278.57	266.32
Stores, spares and consumables	307.95	1,049.35
Cylinders	13.18	258.26
Total	<u>2,152.34</u>	<u>2,307.78</u>
33 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
At the beginning of the year		
Work-in-progress	16,283.57	15,184.50
Finished goods	2,623.94	1,910.59
Stock-in-trade	808.49	599.57
	<u>19,716.00</u>	<u>17,694.66</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
At the end of the year		
Work-in-progress	13,437.34	16,283.57
Finished goods (including in transit)	3,514.85	2,623.94
Stock-in-trade	1,038.71	808.49
	<u>17,990.90</u>	<u>19,716.00</u>
Less: Captive consumption for utilisation as property, plant and equipment	504.00	-
Add: Foreign exchange translation reserve impact	1,054.83	1,050.08
Add / (Less): Adjustments on account of discontinued operations	39.23	5.35
Total	<u>2,315.16</u>	<u>(965.91)</u>
34 Employee benefits		
Salaries and wages	8,021.46	7,717.03
Contribution to provident and other funds (Refer note 45)	197.94	160.74
Staff welfare expenses	103.50	112.77
Total	<u>8,322.90</u>	<u>7,990.54</u>
35 Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Borrowings	3,154.54	3,411.58
- Lease liabilities [Refer note 50(b)]	133.00	-
- Others	0.82	0.24
Interest on delayed payment of income tax	157.67	28.83
Applicable net loss on foreign currency transactions and translations	-	38.67
Other borrowing costs	139.49	82.46
Total	<u>3,585.52</u>	<u>3,561.78</u>
36 Other expenses		
Consumption of stores and spares	2,861.45	2,869.97
Power and fuel	3,973.76	3,970.84
Water charges	111.93	132.10
Repairs and maintenance		
- Building	34.99	91.90
- Plant and equipment	280.74	545.46
- Others	39.75	125.17
Labour charges	403.33	388.17
Lease rent [Also refer note 50(b)]	261.81	553.14
Insurance	288.23	305.83
Rates and taxes	2,398.16	1,980.57
Payment to auditors (Refer note 36.1 below)	64.64	61.71
Director sitting fees (Refer note 43)	10.50	9.80
Commission to non-executive directors (Refer note 43)	15.00	-
Expenditure towards corporate social responsibility (Refer note 43)	15.69	-
Legal and professional fees	853.94	759.81
Loss on sale of property, plant and equipment (net)	-	13.39
Travelling and conveyance	582.58	619.33
Security expenses	83.75	79.29
Bad debts / advances write off [net of provision for doubtful receivables ₹ 40.80 lakhs (31 March 2019: ₹ 20.28 lakhs)]	241.89	137.11
Bank charges and commission	236.24	219.37
Packing and forwarding	677.03	625.24
Carriage and freight	1,008.72	1,203.33
Advertisement and sales promotion	171.45	200.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year Ended 31 March 2020 (₹ in lakhs)	Year Ended 31 March 2019 (₹ in lakhs)
Commission on sales	289.92	230.05
Impairment in the value of joint venture	-	7.30
Miscellaneous expenses (Refer note 51)	1,191.69	1,515.13
Total	16,097.19	16,644.41
36 Payment to auditors (of the Parent) (excluding taxes)		
As Auditors	60.50	60.50
Certification	3.39	-
Out of pocket expenses	0.75	1.21
Total	64.64	61.71
37 Exceptional items gain / (loss) (net)		
Excess provision written back (Refer note below)	258.94	98.46
Provision for impairment in property, plant and equipment [Refer note 2(vii)]	(140.00)	(1,306.05)
Total	118.94	(1,207.59)
Note :		
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 ₹ 258.94 lakhs for the year ended 31 March 2020 (₹ 98.46 lakhs for the year ended 31 March 2019).		
38 Tax expense / (credit)		
Current tax on profits for the year	482.42	1,022.02
Tax pertaining to earlier years	53.13	-
(Increase) / Decrease in deferred tax assets (net)	491.01	(5,707.31)
Total	1,026.56	(4,685.29)
(A) Reconciliation of income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:		
Profit before tax from continuing operations	1,700.05	2,627.01
(Loss) before tax from discontinued operations	(459.17)	(1,470.49)
Profit before tax from total operations	1,240.88	1,156.52
Current Tax at the Indian Rate of 34.944% (2017-18 - 34.944%)	433.61	404.14
Tax effect of the amounts which are not deductible / taxable in calculating taxable income		
Permanent disallowances (net)	43.87	33.40
Loss of subsidiaries on which deferred tax assets not recognised	832.61	1,100.13
Entities with no tax	(154.89)	(208.59)
Interest exempt from income tax	0.02	0.05
Tax pertaining to earlier years	53.13	-
Deferred tax assets (net) recognised and tax losses utilised during the year (Also refer note 8)	-	(6,149.68)
Inter-company income / (expenses) (net) allowable for tax purposes	(162.57)	309.95
Others	(19.22)	(174.69)
Total	1,026.56	(4,685.29)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(B) Deferred tax asset movement (net)

(₹ in lakhs)

	As at 31 March 2020	Changes recognised in Consolidated Statement of Profit and Loss	Changes recognised in other compre- hensive income	Adjustment through reserves	As at 31 March 2019	Changes recognised in Consolidated Statement of Profit and Loss	Recognised through other compre- hensive income	As at 01 April 2018
Deferred tax liability on account of :								
Depreciation and amortisation	3,471.06	(304.34)	-	-	3,775.40	(432.54)	-	4,207.94
Financial liabilities measured at amortised cost	7.10	(14.19)	-	-	21.29	(14.08)	-	35.37
Financial assets measured at fair value through other comprehensive income	3.95	-	3.95	-	-	-	-	-
Total deferred tax liabilities	3,482.11	(318.53)	3.95	-	3,796.69	(446.62)	-	4,243.31
Deferred tax assets on account of :								
Transitional adjustment on adoption of Ind AS 116, 'Leases'	60.30	(13.02)	-	73.32	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	(41.81)	41.81
Provision for doubtful debts / deposits / advances / other receivables, etc.	1,809.51	95.49	-	-	1,714.02	1,335.82	-	378.20
Provision for employee benefits	82.87	(7.73)	-	-	90.60	27.09	6.30	57.21
Provision for sales returns	7.89	(0.01)	-	-	7.90	(8.45)	-	16.35
Unrealised profits on closing stock	22.07	(9.27)	-	-	31.34	(53.45)	-	84.79
Unabsorbed depreciation as per tax laws	1,358.37	-	-	-	1,358.37	33.85	-	1,324.52
Carried forward business losses as per tax laws	3,465.84	(1,409.81)	-	-	4,875.65	2,493.40	-	2,382.25
Minimum alternate tax credit entitlement	1,967.24	534.81	-	-	1,432.43	1,432.43	-	-
Total deferred tax assets	8,774.09	(809.54)	-	73.32	9,510.31	5,260.69	(35.51)	4,285.13
Net movement [(provision) / reversal]		(491.01)	(3.95)	73.32		5,707.31	(35.51)	

(C) Unused tax losses which arose on incurrence of business losses for which no deferred tax asset (DTA) has been created due to absence of reasonable certainty

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Business loss	19,285.41	20,974.33
DTA on business loss	4,191.93	4,860.39
Unabsorbed depreciation	518.82	499.12
DTA on unabsorbed depreciation	134.89	172.75

39 Other comprehensive income

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Items that will be reclassified to profit or loss		
Gains and losses arising from translating the financial statements of foreign operations	2,639.28	1,692.82
Income tax relating to these items	-	-
Items that will not be reclassified to profit or loss		
Measurements of defined employee benefit plans	(712.50)	1.49
Changes in fair value of fair value through other comprehensive income equity measurements	18.98	(126.98)
Income tax relating to these items	(3.95)	(35.51)
Total	1,941.81	1,531.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
40 Fair value measurements
Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2020			As at 31 March 2019		
	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost
Financial assets - non-current						
Investments	297.83	-	-	278.85	-	-
Loans	-	-	252.89	-	-	247.49
Other financial assets	-	-	23.52	-	-	235.95
Financial assets - current						
Trade receivables	-	-	11,837.87	-	-	12,171.32
Cash and cash equivalents	-	-	1,560.39	-	-	831.79
Bank balances other than cash and cash equivalents	-	-	2,287.80	-	-	2,158.24
Investments	-	-	-	-	2.99	-
Loans	-	-	207.63	-	-	1,608.08
Other financial assets	-	-	425.98	-	-	418.99
Financial liabilities - non-current						
Borrowings (including current maturities)	-	-	11,152.74	-	-	15,533.74
Lease liabilities	-	-	1,945.28	-	-	-
Financial liabilities - current						
Borrowings	-	-	18,251.51	-	-	18,120.18
Trade payables	-	-	6,816.32	-	-	5,786.29
Other financial liabilities	-	-	1,888.90	-	-	2,772.20

(I) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(II) Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in equity instrument are based on intrinsic value of the investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(III) Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets - non-current						
Investments measured at fair value through other comprehensive income	-	-	297.83	-	-	278.85
Financial assets - current						
Investments measured at fair value through profit and loss	-	-	-	2.99	-	-

(IV) Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Loans	252.89	252.89	247.49	247.49
Other financial assets	23.52	21.76	235.95	217.82
Financial liabilities - non-current				
Borrowings (including current maturities)	11,152.74	11,185.73	15,533.74	15,585.56
Lease liabilities	1,945.28	1,945.28	-	-

Notes:

- The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.
- The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, current borrowings, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

41 Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instrument. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and bank balances, bank deposits and investments that derive directly from its operations.

The Group is exposed to credit risk, market risk and liquidity risk. The Group's senior management oversees the management of these risks.

(A) Credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and government and other

financial instruments). The Group considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these cases, the credit risk is negligible.

Credit risk management

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter-party,

- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the consolidated statement of profit and loss.

i) Age of receivables that are past due:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
0-3 months	11,001.66	10,728.32
3-6 months	314.58	92.53
6-12 months	277.13	69.57
beyond 12 months	2,107.48	3,117.94
Total	13,700.85	14,008.36
Impairment allowance	(1,862.98)	(1,837.04)

ii) Movement in impairment allowance

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Opening provision	1,837.04	1,823.14
Provision for doubtful debts	167.06	149.22
Provision written off	(40.80)	(20.28)
Excess provision written back	(119.75)	(135.32)
Foreign currency translation adjustments	19.43	20.28
Closing provision	1,862.98	1,837.04

(B) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

Liquidity risk management

The Group's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Group's senior management. Group Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments at each reporting date:

Maturities of non – derivative financial liabilities
As at 31 March 2020

(₹ in lakhs)

Particulars	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial liabilities - non-current				
Borrowings (including current maturities)	5,895.82	5,256.92	-	11,152.74
Lease liabilities (including current maturities)	337.51	1,122.60	485.17	1,945.28
Financial liabilities - current				
Borrowings	18,251.51	-	-	18,251.51
Trade payables	6,816.32	-	-	6,816.32
Other financial liabilities	1,888.90	-	-	1,888.90
Total	33,190.06	6,379.52	485.17	40,054.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

As at 31 March 2019

Particulars	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial Liabilities - Non-current				
Borrowings (including current maturities)	6,676.25	8,857.49	-	15,533.74
Financial Liabilities - Current				
Borrowings	18,120.18	-	-	18,120.18
Trade payables	5,786.29	-	-	5,786.29
Other financial liabilities	2,772.20	-	-	2,772.20
Total	33,354.92	8,857.49		42,212.41

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD, AED and EUR.

Foreign currency risk management

In respect of the foreign currency transactions, the Group does not hedge the exposures since the management believes that the same will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

The Group's exposure to foreign currency risk at the end of reporting period expressed in ₹ in lakhs are as under: (₹ in lakhs)

	As at 31 March 2020			As at 31 March 2019		
	USD	AED	EUR	USD	AED	EUR
Financial liabilities						
Trade payables	424.72	-	11.50	130.95	-	7.86
Other liabilities	44.48	-	-	-	-	-
Financial assets						
Trade receivables	144.22	-	-	421.24	-	-
Balances with bank	75.34	84.74	-	9.44	95.40	-
Net exposure to foreign currency assets / (liabilities)	(249.64)	84.74	(11.50)	299.73	95.40	(7.86)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, AED and EUR with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	As at 31 March 2020		As at 31 March 2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(12.48)	12.48	14.99	(14.99)
AED	4.24	(4.24)	4.77	(4.77)
EUR	(0.58)	0.58	(0.39)	0.39

(ii) Interest rate risk

The Group's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate.

The fixed rate borrowing are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The Group's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	23,407.08	26,035.27
Fixed rate borrowings	5,997.17	7,333.07
Total	29,404.25	33,368.34

Sensitivity analysis

(₹ in Lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 70 basis points	(163.85)	(182.25)
Decrease by 70 basis points	163.85	182.25

(iii) Price Risk

The Group is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income

There is no price risk for mutual fund as they are invested under fixed NAV scheme.

(₹ in lakhs)

Sensitivity	31 March 2020	31 March 2019
Impact on other comprehensive income for 5% increase in share price	14.89	13.94
Impact on other comprehensive income for 5% decrease in share price	(14.89)	(13.94)

42 Capital Management
(A) Risk management

The Group's objectives when managing capital are as below -

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes non-current and current borrowings net of cash and bank balances and total equity comprises of equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

(B) The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Gross debt	29,404.25	33,653.92
Less: Cash and bank balances	(3,848.19)	(2,990.03)
Net debt (A)	25,556.06	30,663.89
Equity (B)	53,771.19	51,779.82
Gearing ratio (A / B)	47.53%	59.22%

(C) Loan covenants

Bank loans availed by the Group contain certain debt covenants which are required to be complied with. The Limitation of indebtedness covenant gets suspended once the Group meets the certain prescribed criteria. As of the reporting date, the Holding Company is not in compliance with certain performance linked financial covenants. Further, CP Industries Holdings Inc. USA is in violation of the leverage and fixed charge coverage covenants and as a result is in technical default of the credit agreement. A waiver from the bank has not yet been received. Accordingly, term loan and delayed draw term loan obtained by CP Industries Holdings Inc. USA from bank have been classified as current maturities of non-current borrowings. The Group is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any interest/penalty towards above matters.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(D) Net debt reconciliation

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	1,560.39	831.79
Non-current borrowings	(11,152.74)	(15,533.74)
Current borrowings	(18,251.51)	(18,120.18)
Lease liabilities (including current maturities)	(1,945.28)	-
Net Debt	(29,789.14)	(32,822.13)

(₹ in lakhs)

Particulars	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Total
Net Debt as at 31 March 2018	901.46	(20,610.87)	(17,084.76)	-	(36,794.17)
Cash flows	(69.67)	5,069.66	(1,035.42)	-	3,964.57
Interest expense	-	(2,509.99)	(1,010.15)	-	(3,520.14)
Interest paid	-	2,559.10	1,010.15	-	3,569.25
Non cash adjustment					
Amortisation of loan processing fee	-	(41.64)	-	-	(41.64)
Net Debt as at 31 March 2019	831.79	(15,533.74)	(18,120.18)	-	(32,822.13)
Cash flows	728.60	4,521.83	(55.66)	338.75	5,533.52
Adjustment on transition to Ind AS 116 [Refer note 50(b)]	-	-	-	(2,179.00)	(2,179.00)
Non cash movement: Acquisitions	-	-	-	(11.71)	(11.71)
Interest expense	-	(1,306.93)	(2,104.96)	(133.00)	(3,544.89)
Interest paid	-	1,206.73	2,029.29	133.00	3,369.02
Non cash adjustment					
Amortisation of loan processing fee	-	(40.63)	-	-	(40.63)
Foreign currency translation adjustments	-	-	-	(93.32)	(93.32)
Net Debt as at 31 March 2020	1,560.39	(11,152.74)	(18,251.50)	(1,945.28)	(29,789.14)

43 Related Party Disclosure:

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions with the related parties are given below:

(I) Names of related parties and description of relationship with the Company

Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence (with whom transactions have taken place during the year):

Mr. Ghanshyam Karkera (w.e.f. 30 October 2018)

Mr. MN Sudhindra Rao

Ms. Uma Acharya

Dr. Vijayanti Pandit (w.e.f. 30 March 2020)*

Mr. Mohan Jayakar (upto 15 April 2019)

Jayakar & Partners (upto 15 April 2019)

Everest Kanto Investment and Finance Private Limited

Khurana Gases Private Limited

Medical Engineers (India) Limited

Khurana Fabrication Industries Private Limited

Khurana Exports Private Limited

Khurana Charitable Trust

Key Management Personnel (KMP):

Mr. Prem Kumar Khurana - Chairman and Managing Director (Upto 10 October 2019)

Mr. Puneet Khurana - Chief Executive Officer (upto 13 November 2019)

Mr. Puneet Khurana - Managing Director (w.e.f. 14 November 2019)

Mr. Pushkar Khurana - Chairman and Executive Director (w.e.f. 14 November 2019) of the Holding Company and Managing Director of EKC International FZE

Mr. Sanjiv Kapur - Chief Financial Officer (w.e.f. 1 November 2018)

Mr. Dinesh Bhalotia - Chief Financial Officer (upto 8 May 2018)

Ms. Bhagyashree Kanekar - Company Secretary (w.e.f. 13 August 2018)

Relatives of KMP (with whom transaction have taken place during the year):

Ms. Suman Khurana

Mr. Varun Khurana

Mrs. Sabita Bhalotia (upto 8 May 2018)

* Appointment as Independent Director is subject to approval of shareholders in ensuing annual general meeting of the Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(II) Transactions with related parties during the year:

(₹ in lakhs)

	Non Executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key management personnel		Relatives of key management personnel	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Sale of goods						
Medical Engineers (India) Limited	862.99	1,994.85	-	-	-	-
Sale of consumables, stores and spares						
Medical Engineers (India) Limited	-	18.22	-	-	-	-
Sale of property, plant and equipment						
Mr. Dinesh Bhalotia	-	-	-	1.50	-	-
Purchase of raw materials and traded goods						
Medical Engineers (India) Limited	1.45	-	-	-	-	-
Purchase of consumables						
Medical Engineers (India) Limited	3.90	0.28	-	-	-	-
Remuneration						
Mr. Prem Kumar Khurana	-	-	71.70	119.00	-	-
Mr. Pushkar Khurana	-	-	115.60	113.94	-	-
Mr. Puneet Khurana	-	-	226.54	159.86	-	-
Ms. Bhagyeshree Kanekar	-	-	9.03	5.28	-	-
Mr. Dinesh Bhalotia	-	-	-	6.11	-	-
Mr. Sanjiv Kapur	-	-	63.93	26.05	-	-
Ms. Suman Khurana	-	-	-	-	11.42	-
Sitting fees						
Mr. Mohan Jayakar	-	2.90	-	-	-	-
Mr. Ghanshyam Karkera	5.48	1.10	-	-	-	-
Ms. Uma Acharya	3.90	3.45	-	-	-	-
Mr. M N Sudhindra Rao	2.85	2.35	-	-	-	-
Commission to non-executive directors						
Ms. Uma Acharya	5.00	-	-	-	-	-
Mr. M N Sudhindra Rao	5.00	-	-	-	-	-
Mr. Ghanshyam Karkera	5.00	-	-	-	-	-
Professional fees						
Jayakar & Partners	-	0.48	-	-	-	-
Mrs. Sabita Bhalotia	-	-	-	-	-	4.13
Rent expenses						
Khurana Fabrication Industries Private Limited	16.63	16.63	-	-	-	-
Khurana Exports Private Limited	45.36	45.36	-	-	-	-
Khurana Gases Private Limited	14.38	14.38	-	-	-	-
Mr. Prem Kumar Khurana	-	-	2.70	3.60	-	-
Mr. Pushkar Khurana	-	-	3.60	3.60	-	-
Mr. Varun Khurana	-	-	-	-	-	3.50
Other expenses	7.50	8.23	-	-	-	-
Expenditure towards corporate social responsibility	15.69	-	-	-	-	-
Khurana Charitable Trust						
Reimbursement of expenses						
Medical Engineers (India) Limited	1.23	-	-	-	-	-
Interest expenses						
Khurana Gases Private Limited	149.62	109.90	-	-	-	-
Everest Kanto Investment and Finance Private Limited	429.96	438.78	-	-	-	-
Khurana Fabrication Industries Private Limited	29.28	20.36	-	-	-	-
Khurana Exports Private Limited	0.84	-	-	-	-	-
Advance received towards sale of property, plant and equipment						
Mr. Pushkar Khurana	-	-	-	1,328.00	-	-
Refund of excess advance received against sale of property,						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Non Executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key management personnel		Relatives of key management personnel	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
plant and equipment						
Mr. Pushkar Khurana	-	-	15.37	-	-	-
Loans repaid during the year						
Everest Kanto Investment and Finance Private Limited	102.73	1,760.47	-	-	-	-
Loans taken during the year						
Everest Kanto Investment and Finance Private Limited	216.00	767.50	-	-	-	-
Khurana Gases Private Limited	98.50	484.00	-	-	-	-
Khurana Fabrication Industries Private Limited	79.95	33.75	-	-	-	-
Khurana Exports Private Limited	7.00	-	-	-	-	-

(III) Balances of related parties:

Payables						
Khurana Gases Private Limited	9.06	-	-	-	-	-
Khurana Exports Private Limited	5.78	0.08	-	-	-	-
Khurana Fabrication Industries Private Limited	9.97	-	-	-	-	-
Jayakar & Partners	-	0.43	-	-	-	-
Mr. Prem Kumar Khurana	-	-	-	14.00	-	-
Mr. Pushkar Khurana	-	-	9.63	9.49	-	-
Mr. Puneet Khurana	-	-	8.65	15.00	-	-
Ms. Bhagyashree Kanekar	-	-	0.77	0.68	-	-
Mr. Sanjiv Kapur	-	-	5.14	5.50	-	-
Ms. Uma Acharya	5.20	-	-	-	-	-
Mr. M N Sudhindra Rao	4.90	-	-	-	-	-
Mr. Ghanshyam Karkera	6.21	-	-	-	-	-
Mrs. Suman Khurana	-	-	-	-	2.50	-
Other advances						
Mr. Puneet Khurana	-	-	1.62	0.77	-	-
Advance received towards sale of property, plant and equipment						
Mr. Pushkar Khurana	-	-	1,412.63	1,428.00	-	-
Advance received from customers						
Medical Engineers (India) Limited	435.06	444.46	-	-	-	-
Loans taken						
Everest Kanto Investment and Finance Private Limited	3,716.67	3,512.03	-	-	-	-
Khurana Gases Private Limited	1,327.29	1,194.50	-	-	-	-
Khurana Fabrication Industries Private Limited	275.06	188.25	-	-	-	-
Khurana Exports Private Limited	7.19	-	-	-	-	-
Receivables						
Mr. Dinesh Bhalotia	-	-	-	1.18	-	-
Deposit receivable						
Khurana Exports Private Limited	10.00	10.00	-	-	-	-

Personal guarantees from promoter directors for borrowings by the Holding Company [Refer note (a) below]

Assets pledged by promoters and group companies for outstanding borrowings by the Holding Company [Refer note (b) below]

Personal guarantee from a subsidiary's director for borrowings by a subsidiary company [Refer note (c) below]

Assets pledged by a subsidiary's director for outstanding borrowings by a subsidiary company [Refer note (d) below]

Notes:

- (a) Personal Guarantees given to banks of ₹ 40,000 lakhs as at 31 March 2020 (₹ 40,000 lakhs and USD 5 million as at 31 March 2019) by promoter directors* of the Company for the term loans and working capital loans against which ₹ 7,917.15 lakhs (₹ 12,833.18 lakhs as at 31 March 2019) were outstanding as at the end of the year.
- (b) Assets pledged to banks by promoters* and group companies for term loan and working capital loan of ₹ 34,500 lakhs (₹ 34,500 lakhs as at 31 March 2019) against which ₹ 5,615.31 lakhs (₹ 9,180.97 lakhs as at 31 March 2019) were outstanding as at the end of the year.
- (c) Personal Guarantee given to banks of ₹ 6,608.85 lakhs as at 31 March 2020 (₹ 4,496.13 lakhs as at 31 March 2019) by a subsidiary's director* for working capital loans availed by the subsidiary against which ₹ 4,227.84 lakhs (₹ 4,349.58 lakhs as at 31 March 2019) were outstanding as at the end of the year.
- (d) Assets pledged to a bank by a subsidiary's director* for working capital loan of ₹ 1,708.77 lakhs as at 31 March 2020 (₹ Nil as at 31 March 2019) against which ₹ Nil (₹ Nil as at 31 March 2019) were outstanding as at the end of the year.
- * including their estate, effects, heirs, legal representatives and assigns, as applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
Compensation to Key management personnel

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	465.14	413.90
Post-employment benefits	21.66	16.34
Total compensation	486.80	430.24

44 Contingent liabilities, capital and other commitments

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
(a) Contingent liabilities:		
(i) Income tax matters under disputes	693.69	1,015.00
(ii) Lease tax	21.05	21.05
(iii) Sales tax and Value Added Tax	1,190.85	1,436.62
(iv) Excise duty	53.81	-
(v) Non compliance of 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, under the Foreign Exchange Management Act, 1999 (Refer note 54)	Amount not determinable	Amount not determinable
(vi) Provident fund The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, the Holding Company has provided for the liability in accordance with the judgement from the date of pronouncement and retrospective liability, if any, will be provided when the final legal view emerges from the authority. Future cash flows in respect of the above are determinable only on pronouncements of judgments / decisions pending with various forums/ authorities. The Group does not expect any reimbursement in respect of the above matters	Amount not determinable	Amount not determinable
(b) Claims against Company not acknowledged as debts	50.75	1,585.75
(c) Bonds executed in favour of government authorities * *Bonds / undertakings given by the Holding Company under concessional duty / exemption schemes to government authorities (net of obligations fulfilled)	196.20	-
(d) Commitments Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	13.98	1,169.14
(e) CP Industries Holdings Inc. USA, a subsidiary of the Holding Company, is exposed to environmental risks. The Subsidiary has various policies and procedures to avoid environmental contamination and to mitigate the risks of environmental contamination. The subsidiary has various policies and procedures to avoid environmental contamination and to mitigate the risks of environmental contamination. The subsidiary conducts periodic reviews to identify changes in its environmental risk profile. Liabilities are accrued when environmental assessments and/or clean-ups are probable and the costs can be reasonably estimated. The subsidiary is not aware of any environmental claims existing at 31 March 2020. However, there can be no assurance that current regulatory requirements will not change or unknown past noncompliance with environmental laws will not be discovered on the subsidiary's properties.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

45 Employee benefits

(A) Defined Contribution Plan:

Contribution to defined contribution plans, recognised as expense for the year by the Holding Company are as under :

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Employer contribution to provident fund	126.28	103.55
Employer contribution to employees state insurance scheme	0.60	0.70
Total	126.88	104.25

(B) Defined benefit plan:

Contribution to gratuity fund (funded scheme)

The Holding Company provides gratuity benefit for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Holding Company makes contributions to recognised funds in India.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Actuarial assumptions		
Mortality table	IALM (2012-14) ult	IALM (2012-14) ult
Discount rate (%)	6.35%	7.50%
Rate of increase in compensation rate (%) (per annum)	0%-6%	6.00%
Withdrawal rate (%)		
Age 21-30 years	7.50%	7.50%
Age 31-40 years	5.00%	5.00%
Age 41-57 years	3.00%	3.00%
(ii) Assets information (%)		
Insurer managed funds	100%	100%
(iii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	260.54	227.02
Interest expense	18.55	16.50
Current service cost	26.15	26.20
Actuarial loss	0.26	0.32
Benefits paid	(20.67)	(9.50)
Present value of obligation at the end of the year	284.83	260.54
(iv) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of the year	144.51	143.22
Interest income	11.35	11.62
Contributions	72.72	-
Benefits paid	(20.67)	(9.50)
Actuarial loss	(1.05)	(0.83)
Fair value of plan assets at the end of the year	206.86	144.51
(v) Assets and liabilities recognised in the Consolidated Balance Sheet		
Present value of the defined benefit obligation at the end of the year	284.83	260.54
Less: Fair value of plan assets at the end of the year	(206.86)	(144.51)
Net liability recognised	77.97	116.03
Recognised under provisions		
Current provisions	-	-
Non-current provisions	77.97	116.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
(vi) Expenses recognised in the Consolidated Statement of Profit and Loss			
Current service cost		26.15	26.20
Net interest expense		7.20	4.88
Net gratuity cost recognised during the year		33.35	31.08
Included in note 34 'Employee benefits expense'			
(vii) Expenses recognised in the other comprehensive income / (loss)			
Actuarial loss on measurements of defined employee benefit plans		1.31	18.04
Total remeasurement cost for the year recognised in Other comprehensive income / (loss)		1.31	18.04
(viii) Reconciliation of net asset / (liability) recognised:			
Net asset / (liability) recognised at the beginning of the period		(116.03)	(83.80)
Company contributions		72.72	-
Benefits paid directly by Company		-	-
Actuarial gain / (loss)		(1.31)	(1.15)
Expenses recognised at the end of period		(33.35)	(31.08)
Net asset / (liability) recognised at the end of the period		(77.97)	(116.03)

(ix) Sensitivity Analysis:

(₹ in lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Decrease	Increase	Decrease	Increase
Impact of increase in 50 bps on DBO (discount rate)	4.12%	-	3.85%	-
Impact of decrease in 50 bps on DBO (discount rate)	-	4.42%	-	4.12%
Impact of increase in 50 bps on DBO (salary escalation rate)	-	4.28%	-	4.00%
Impact of decrease in 50 bps on DBO (salary escalation rate)	4.02%	-	3.76%	-

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(x) Number of employees

(in numbers)

	Year ended 31 March 2020	Year ended 31 March 2019
Active members	561	514
• deferred members - Nil (2019-20: Nil) • retired members - Nil (2019-20: Nil) The Company expects to contribute around ₹ 40 lakhs to the funded plans in financial year 2020-21 (2019-20 : ₹ 40 lakhs) for gratuity.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(xi) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2020	Year ended 31 March 2019
1	26.12	26.43
2	34.07	21.87
3	19.04	34.26
4	28.02	19.02
5	19.42	27.70
6	30.60	19.33
7	22.41	31.35
8	29.02	23.11
9	30.24	28.22
10 and above	312.82	320.67

(xii) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset liability mismatching or market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(C) The obligation of compensated absences is recognised in the same manner as gratuity and net expense in the Standalone Statement of Profit and Loss for the year ended 31 March 2020 is ₹ 8.68 lakhs (31 March 2019: ₹ 10.72 lakhs).

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current provisions	14.85	24.36
Non-current provisions	77.45	80.68
Total	92.30	105.04

(D) CP Industries Holdings Inc., USA - Defined benefit pension plan

The subsidiary has a non-contributory defined benefit pension plan covering all union employees hired prior to 1 June 2006. The benefits are based on years of service and the applicable compensation level under the plan. The subsidiary's funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
(i)	Actuarial assumptions		
	Discount rate (%) (per annum)	2.90%	3.97%
	Expected rate of return (per annum)	5.00%	6.00%
(ii)	Changes in the present value of defined benefit obligation (DBO)		
	Present value of obligation at the beginning of the year	4,313.96	4,072.83
	Interest expense	169.25	166.06
	Current service cost	32.49	31.04
	Actuarial (gain) / loss	459.43	(25.46)
	Benefits paid	(338.09)	(288.02)
	Foreign exchange loss	444.48	357.51
	Present value of obligation at the end of the year	5,081.52	4,313.96
(iii)	Changes in the fair value of plan assets		
	Fair value of plan assets at beginning of the year	2,770.60	2,579.00
	Interest income	140.81	134.77
	Contributions	113.01	225.84
	Benefits paid	(338.09)	(292.10)
	Actuarial loss	(222.40)	(44.96)
	Foreign exchange loss	229.42	168.06
	Fair value of plan assets at the end of the year	2,693.35	2,770.60
(iv)	Assets and liabilities recognised in the Consolidated Balance Sheet		
	Present value of the defined benefit obligation at the end of the year	5,081.52	4,313.96
	Less: Fair value of plan assets at the end of the year	(2,693.35)	(2,770.60)
	Net liability recognised	2,388.16	1,543.36
	Recognised under provisions		
	Current provisions	443.48	235.40
	Non-current provisions	1,944.69	1,307.96
(v)	Expenses recognised in the Consolidated Statement of Profit and Loss		
	Current service cost	32.49	31.04
	Net interest expense	28.44	31.29
	Net defined benefit pension costs recognised during the year	60.92	62.33
	Included in note 34 'Employee benefits expense'		
(vi)	Plan assets		
	Pooled separate account *	2,693.35	-
	Cash and cash equivalents	-	38.98
	Government and corporate bonds (Fixed income)	-	425.78
	Mutual funds (Fixed income)	-	1,973.22
	Equities	-	332.63
	Total	2,693.35	2,770.60

* The pooled separate account represent an insurance contract under which plan assets are administered through pooled funds. The pooled separate account portfolio may include investments in money market instruments, mutual funds common stocks and government and corporate bonds and notes. At 31 March 2020 substantially all investments in the pooled separate account were invested in twenty-one diversified mutual funds. Net asset value is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding as provided by the investment account manager and therefore the pooled separate account is classified in Level 2 of the fair value hierarchy. There are no unfunded commitments or redemption restrictions relating to the pooled separate accounts.

Mutual funds, equity securities, government bonds, and corporate bonds are traded in active markets and valued based on their quoted fair value by independent pricing vendors (Level 1 inputs under the fair value hierarchy).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The overall investment policy for the plan assets is to produce a total return commensurate with the portfolio's risk, the constraints of funding on-going plan benefit and expense requirements and the current opportunities in the investment market. The Company's expected rate of return on plan assets is determined by the plan's historical returns and the targeted mix of investments.

(vii) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2020	Year ended 31 March 2019
1	309.08	283.60
2	303.05	275.99
3	304.56	271.15
4	307.57	273.23
5	300.04	276.69
6 and above	1,433.84	1,347.46

(E) CP Industries Holdings Inc., USA - Post retirement benefits

The Company has a post-retirement plan to provide certain post retirement benefits for those employees identified in the current collective bargaining agreement. The benefits are not salary based. In general, for measurement purposes, an 10% annual rate of increase in the per capita cost of covered health benefits was assumed as of the measurement date decreasing to 7% over the following eight-year period and remaining at that level until 2030.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Actuarial assumptions Discount rate (%) (per annum)	2.60%	3.57%
(ii) Changes in the present value of defined benefit obligation (DBO) Present value of obligation at the beginning of the year	110.18	131.52
Interest expense	3.76	4.90
Current service cost	0.07	0.13
Actuarial (gain) / loss	29.36	(22.14)
Benefits paid	(13.01)	(12.89)
Foreign exchange loss	11.18	8.65
Present value of obligation at the end of the year	141.53	110.18
(iii) Changes in the fair value of plan assets Fair value of plan assets	-	-
(iv) Assets and liabilities recognised in the Consolidated Balance Sheet Present value of the defined benefit obligation at the end of the year	141.53	110.18
Less: Fair value of plan assets at the end of the year	-	-
Net liability recognised	141.53	110.18
Recognised under provisions Current provisions	12.80	13.54
Non-current provisions	128.73	96.63
(v) Expenses recognised in the Consolidated Statement of Profit and Loss Current service cost	0.07	0.13
Net interest expense	3.76	4.90
Net post retirement plan costs recognised during the year Included in note 34 'Employee benefits expense'	3.83	5.03
(vi) Maturity analysis of projected benefit obligation: Year 1	12.82	13.83
Year 2	11.31	11.07
Year 3	12.82	8.30
Year 4	15.08	8.30
Year 5	13.57	8.30
Year 6 and above	53.90	37.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

46 Discontinued operations

(a) Description

During the year ended 31 March 2018, the Group had initiated the process to locate a buyer for its subsidiary, EKC Industries (Tianjin) Co., Ltd (China Subsidiary). Accordingly, the consolidated financial statements of the Group's China operations have been reported as discontinued operations. The associated assets and liabilities are consequently presented as held for sale in the consolidated financial statements. Being a discontinued operation, the China operations have not been considered as separate reportable segment.

During the year ended 31 March 2019, the Holding Company along with EKC International FZE (UAE subsidiary) (collectively referred to as 'sellers') has 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 has commenced wherein the Group is in the advanced stage of consummation of the agreement and have already received a substantial amount of sales consideration in the Escrow Account. Further, the Holding Company has also obtained requisite approval from its shareholders.

(b) Financial performance and cash flow information pertaining to discontinued operations

(₹ in lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
I	Total Income	38.02	444.56
II	Total Expenses	482.36	901.47
III	Profit / (Loss) before provision for doubtful debts, foreign exchange variation gain / (loss), exceptional items and tax (I-II)	(444.34)	(456.91)
IV	Provisions written back	51.65	6.81
V	Foreign exchange variation gain / (loss)	(66.48)	(1,020.39)
VI	Loss before tax (III+IV+V)	(459.17)	(1,470.49)
VII	Tax expense / (credit)	-	-
VIII	Loss after tax (VI-VII)	(459.17)	(1,470.49)
IX	Other comprehensive income from discontinued operations	-	-
X	Net cash generated from / (used in) operating activities	(1,364.16)	(556.22)
	Net cash generated from / (used in) investing activities	1,577.36	438.89
	Net cash generated from / (used in) financing activities	0.26	150.37
	Exchange differences on translation of discontinued operations	(293.02)	(2.01)
	Net cash generated from / (used in) discontinued operations	(79.56)	31.03

(c) Assets and liabilities of disposal group classified as held for sale

The carrying amount of assets and liabilities as at 31 March 2020 are as follows:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	6,473.99	6,631.65
Total assets	6,473.99	6,631.65
Other current liabilities	319.19	411.80
Total liabilities	319.19	411.80
Net assets	6,154.80	6,219.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
47 (a) Statement of consolidated net assets, consolidated profit / (loss), other comprehensive income / (loss) and total comprehensive income attributable to equity shareholders of the Holding Company and non-controlling interests

(₹ in lakhs)

	Country of Incorporation	% of ownership interest	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income for the year	
			As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income	Amount
Everest Kanto Cylinder Limited	India									
31 March 2020			49.62%	26,681.66	742.29%	1,590.87	0.71%	13.72	74.42%	1,604.59
31 March 2019			48.67%	25,202.04	149.83%	8,752.56	-11.79%	(180.53)	116.25%	8,572.03
Subsidiaries										
EKC International FZE	United Arab Emirates	100%								
31 March 2020			116.42%	62,602.54	-378.08%	(810.30)	-	-	-37.58%	(810.30)
31 March 2019			113.68%	58,864.50	8.56%	500.07	-	-	6.78%	500.07
CP Industries Holdings, Inc.	United States of America	100%								
31 March 2020			-7.35%	(3,950.49)	-855.76%	(1,834.07)	-36.63%	(711.19)	-118.05%	(2,545.26)
31 March 2019			-2.28%	(1,182.38)	33.90%	1,980.13	1.27%	19.53	27.12%	1,999.66
EKC Industries (Tianjin) Co. Limited	People's Republic of China	100%*								
31 March 2020			13.98%	7,515.51	857.05%	1,836.82	-	-	85.19%	1,836.82
31 March 2019			10.62%	5,496.51	-32.38%	(1,891.31)	-	-	-25.65%	(1,891.31)
EKC Industries (Thailand) Co. Limited	Kingdom of Thailand	100% *								
31 March 2020			3.97%	2,134.81	4.18%	8.95	-	-	0.42%	8.95
31 March 2019			3.91%	2,026.75	0.10%	5.95	-	-	0.08%	5.95
Calcutta Compressions and Liquefaction Engineering Limited	India	72.65%								
31 March 2020			-2.01%	(1,083.42)	-78.02%	(167.21)	-	-	-7.76%	(167.21)
31 March 2019			-1.77%	(915.57)	-1.69%	(98.76)	-	-	-1.34%	(98.76)
EKC Hungary Kft.	Hungary	100%								
31 March 2020			-0.58%	(312.52)	156.74%	335.92	-	-	15.58%	335.92
31 March 2019			-1.19%	(614.58)	6.41%	374.47	-	-	5.08%	374.47
Next Gen Cylinder Private Limited	India	100%								
31 March 2020			0.02%	9.78	-0.06%	(0.13)	-	-	-0.01%	(0.13)
31 March 2019			0.02%	9.91	0.00%	(0.09)	-	-	0.00%	(0.09)
EKC Europe GmbH	Germany	100%								
31 March 2020			-0.64%	(344.42)	-21.03%	(45.07)	-	-	-2.09%	(45.07)
31 March 2019			-0.54%	(278.14)	0.28%	16.58	-	-	0.22%	16.58
EKC Positron Gas Limited	India	72.65%								
31 March 2020			0.01%	3.96	-0.25%	(0.54)	-	-	-0.03%	(0.54)
31 March 2019			0.01%	4.50	0.00%	(0.13)	-	-	0.00%	(0.13)
Intercompany Elimination and Consolidation Adjustments										
31 March 2020			-73.43%	(39,486.22)	-327.04%	(700.92)	135.92%	2,639.28	89.90%	1,938.36
31 March 2019			-71.14%	(36,833.72)	-64.99%	(3,796.75)	110.51%	1,692.82	-28.53%	(2,103.93)
Total										
31 March 2020			100.00%	53,771.19	100.00%	214.32	100.00%	1,941.81	100.00%	2,156.13
31 March 2019			100.00%	51,779.82	100.02%	5,842.72	100.00%	1,531.82	100.01%	7,374.54
Joint Venture										
Kamal EKC International Limited (upto 22 August 2019)	Tanzania	49.00%								
31 March 2020			-	-	-	-	-	-	-	-
31 March 2019			-	-	-0.02%	(0.91)	-	-	-0.01%	(0.91)
Total										
31 March 2020			100.00%	53,771.19	100.00%	214.32	100.00%	1,941.81	100.00%	2,156.13
31 March 2019			100.00%	51,779.82	100.00%	5,841.81	100.00%	1,531.82	100.00%	7,373.63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
47 (a) Statement of consolidated net assets, consolidated profit / (loss), other comprehensive income / (loss) and total comprehensive income attributable to equity shareholders of the Holding Company and non-controlling interests (contd.)

* 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. Refer note 46.

** 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.

(b) Non-controlling interests

Below is the summarised financial information for each subsidiary that has non-controlling interest. The amount disclosed for each subsidiary are before inter company eliminations.

Summarised information on assets and liabilities

(₹ in lakhs)

	Calcutta Compressions and Liquefaction Engineering Limited		EKC Positron Gas Limited	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Current assets	197.50	272.16	3.96	4.50
Current liabilities	1,606.77	1,543.97	-	-
Net current assets	(1,409.27)	(1,271.81)	3.96	4.50
Non-current assets	325.85	356.24	-	-
Non-current liabilities	-	-	-	-
Net non-current assets	325.85	356.24	-	-
Net assets	(1,083.42)	(915.57)	3.96	4.50
Less: Intercompany elimination	(805.23)	(1,029.75)	-	-
Net assets after intercompany elimination and consolidation adjustments	(278.19)	114.18	3.96	4.50
Accumulated non-controlling interests	(76.08)	31.23	1.08	1.23

Summarised information on operating results

(₹ in lakhs)

	Calcutta Compressions and Liquefaction Engineering Limited		EKC Positron Gas Limited	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	1,000.86	856.19	-	-
Net Profit / (Loss) after tax *	(307.21)	(98.14)	(0.54)	(0.13)
Other comprehensive income	-	-	-	-
Total comprehensive income	(307.21)	(98.14)	(0.54)	(0.13)
Net Profit for the year attributable to non-controlling interests	(84.02)	(26.84)	(0.15)	(0.04)
Dividends paid to non-controlling interests	-	-	-	-

* including Provision for impairment in property, plant and equipment of ₹ 140 lakhs. Refer note 2(vii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Summarised cash flow information

(₹ in lakhs)

	Calcutta Compressions and Liquefaction Engineering Limited		EKC Positron Gas Limited	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Net cash generated from / (used in) operating activities	(65.30)	29.43	(0.54)	(0.22)
Net cash generated from / (used in) investing activities	2.82	59.12	-	-
Net cash generated from / (used in) financing activities	(7.81)	(70.17)	-	-
Net increase / (decrease) in cash and cash equivalents	(70.29)	18.38	(0.54)	(0.22)

(c) Interest in joint venture

Below is the summarised financial information for the joint venture. The amount disclosed for the joint venture are before inter company eliminations.

(₹ in lakhs)

	Place of business	% of ownership interest	Accounting method	Carrying value	
				As at 31 March 2020	As at 31 March 2019
Kamal EKC International Limited	Tanzania	49.00%	Equity method	-	7.30
Less: Impairment on above				-	(7.30)
Total				-	-

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current assets	-	14.90
Current liabilities	-	-
Net current assets	-	14.90
Non-current assets	-	-
Non-current liabilities	-	-
Net non-current assets	-	-
Net assets	-	14.90

I. Group's share (%)

49.00%

II. Group Shares (₹ in lakhs)

7.30

(₹ in Lakhs)

	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from operations	-	-
(Loss) for the year	-	(1.86)
Other comprehensive income	-	-
Total other comprehensive income	-	(1.86)

I. Group's share (%)

49.00%

II. Group Shares (₹ in lakhs)

(0.91)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
48 Segment reporting
(A) Geographical segment

(₹ in lakhs)

	India		United Arab Emirates		United States of America and Hungary		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(a) Segment revenue from continuing operations *										
Less: inter segment revenue	50,158.25	46,200.42	13,599.19	14,913.52	12,725.02	11,785.09	2,361.54	2,585.62	78,844.00	75,484.65
Total	990.36	1,211.00	1,738.36	3,715.87	12.97	175.49	50.80	173.70	2,792.49	5,276.06
Segment revenue from discontinued operations	49,167.89	44,989.42	11,860.83	11,197.65	12,712.05	11,609.60	2,310.74	2,411.92	76,051.51	70,208.59
China									-	54.15
Total									-	54.15
(b) Segment results from continuing operations										
Segment results	5,715.23	5,034.11	1,119.93	1,414.05	(1,139.47)	(1,262.24)	(45.97)	(9.12)	5,649.72	5,176.80
Unallocable income / (expenses)**									205.71	279.48
Foreign exchange variation (loss)/gain (net)									(702.86)	732.51
Finance costs									3,452.52	3,561.78
Profit before tax from continuing operations - (i)									1,700.05	2,627.01
Discontinued operations - (ii)										
China									(459.17)	(1,470.49)
Tax expense - (iii)									(459.17)	(1,470.49)
Current tax									535.55	1,022.02
Deferred tax									491.01	(5,707.31)
Profit from continuing operations after tax (i-iii)									673.49	7,312.30
Profit after tax from total operations attributable to:									214.32	5,841.81
Equity shareholders of the Holding Company									298.49	5,868.69
Non-controlling interests									(84.17)	(26.88)
Other Information										
Segment assets of continuing operations (I)									88,422.71	83,936.81
Add: Unallocated assets									8,494.20	9,908.99
Total									96,916.91	93,845.80
Segment assets of discontinued operations (II)										
China									6,950.00	8,699.81
Total									6,950.00	8,699.81
Total segment assets (I+II)									103,866.91	102,545.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	(₹ in lakhs)					
	India		United Arab Emirates		United States of America and Hungary	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(d) Segment liabilities of continuing operations (III)						
Add: Unallocated liabilities		7,989.00		2,177.22		236.62
Total	9,517.22		1,996.10		7,184.68	16,697.36
Segment liabilities of discontinued operations (IV)						
China						33,656.63
Total						50,353.99
Total segment liabilities (III+IV)						
(e) Capital expenditure of continuing operations						
Add: Capital expenditure of discontinued operations-China		1,941.60		214.07		
Add: Unallocated capital expenditure						
Total	720.04		237.29		886.37	3,632.12
(f) Depreciation and amortisation of continuing operations						
Add: Depreciation and amortisation of discontinued operations - China		1,342.27		391.03		
Total	2,316.54		579.70		1,436.78	3,028.75
(g) Other non-cash expenditure						
Add: non-cash expenditure of discontinued operations		137.11		-		
Total	241.89					137.11

* Based on location of customer.

** Unallocable income from continuing operations includes share of loss from joint venture ₹ Nil (31 March 2019: ₹ 0.91 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(B) Other Disclosures

1 Identification of segments:

The chief operational decision maker monitors the operating results of its Geographical segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's reportable segments are India, United Arab Emirates (UAE), China, United States of America and Hungary and Others.

2 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment, except for Calcutta Compressions & Liquefaction Engineering Limited, which is in the business of purchase and distribution of natural gas, the operations of which are not material as compared to the overall business of the Group. Hence, the Group has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries, step down subsidiaries and joint venture.

3 Segment revenue and results

The expenses and income which are not directly attributable to any geographical segment are shown as unallocable income / (expenses).

4 Segment assets and liabilities

Segment assets include all operating assets used by the geographical segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the geographical segment are shown as unallocable assets / liabilities.

5 Inter segment revenues

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Group level.

6 The group deals with various customers including multiple geographies. Consequently, none of the customer contribute materially to the revenue of the Group.

7 For details on discontinued operations, refer note 46.

Information on geographical revenue and non current assets

(₹ in lakhs)

	India		Rest of World		Total	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Segment revenue *	49,167.89	44,989.42	26,883.62	25,219.17	76,051.51	70,208.59
Carrying cost of segment non-current assets included in total segment assets **	23,111.03	20,867.95	15,525.28	14,002.72	38,636.31	34,870.67

* Based on location of customers.

** Geographical non-current assets (property, plant and equipment, capital work-in-progress, intangible assets, current tax assets and other non current assets) are allocated based on location of the assets.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended 31 March 2020 and 31 March 2019, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

49 Revenue from contract with customers

The Group derives revenues primarily from sale of high pressure seamless gas cylinders and other cylinders, equipments, appliances and other related services. Further, the Group is engaged in the trading of fire equipment. The Holding Company is also engaged in trading of castor oil.

Under Ind AS 115, an entity recognises revenue when it transfers control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, the Group assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Group considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

Revenue from sale of goods: The majority of customer contracts that Group enters into consist of a single performance obligation for the delivery of cylinders, fire equipment and castor oil. The Group recognises revenue from product sales when control of the product transfers i.e. generally upon shipment.

Shipping and handling services: The Group provides shipping and handling services to its customers which is considered as separate performance obligation as per Ind AS 115.

Revenue from long term contracts: The revenue recognition of long term contracts under progress requires forecasts to be made of total budgeted costs with the outcomes of underlying contracts, which further require assessments and judgements to be made on changes in work scopes and other payments to the extent they are probable and they are capable of being reliably measured. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Consolidated Statement of Profit and Loss. Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Sale with right to return : Some contracts provide customers with a right of return and Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. (Refer note 17 and 28).

Disaggregation of revenue**(a) Revenue based on geography**

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Within India	49,167.89	44,989.42
United Arab Emirates	11,860.83	11,197.65
United States of America and Hungary*	12,712.05	11,609.60
Others	2,310.74	2,411.92
Total	76,051.51	70,208.59

* Revenue in excess of billings on uncompleted contracts.

(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Cylinders	72,222.88	66,341.57
Castor oil	1,451.60	763.10
Natural gas	1,000.86	856.19
Stores, spares and consumables	407.60	1,044.81
Fire equipment	382.73	300.81
Cascade fittings	141.40	406.89
Others	444.44	495.22
Total	76,051.51	70,208.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Goods transferred at a point in time	73,215.60	68,474.45
Services transferred over time/control of goods transferred over time	2,835.91	1,734.14
Total	76,051.51	70,208.59

(d) Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue as per contracted price	76,104.93	70,281.85
Sales return	53.42	73.26
Revenue from contract with customers	76,051.51	70,208.59

(e) Contract balances

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Trade receivables	11,837.87	12,171.32
Contract liabilities from contracts with customers	3,837.26	2,811.55

Information in respect of contract in progress:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Cost incurred on uncompleted contract	6,121.94	3,665.23
Estimated earnings	3,806.13	3,429.77
Revenue earned on uncompleted contract	9,928.07	7,095.00
Less: Billings on uncompleted contract	(9,928.07)	(7,088.73)
Revenue in excess of billings on uncompleted contracts	-	6.27

Significant changes in contract assets balances

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Contract assets	6.27	10.19
Add: Revenue recognised during the year	2,833.07	1,734.14
Less: Invoiced during the year	(2,839.34)	(1,738.06)
Closing balance	-	6.27

Unsatisfied performance obligations on long term contracts

All existing contracts are for periods of one year or less. As permitted under Ind AS 115, 'Revenue from Contracts with Customers', the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

50 (a) Earnings per share

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
I. Profit after tax from total operations	214.32	5,841.81
Attributed to :		
a) Equity shareholders of the Holding Company	298.49	5,868.69
b) Non-controlling interests	(84.17)	(26.88)
II Profit / (Loss) from discontinued operations after tax	(459.17)	(1,470.49)
III Profit of continuing operations attributable to Equity shareholders of the Holding Company	757.66	7,339.18
IV Weighted average number of equity shares outstanding during the year	11,22,07,682	11,22,07,682
V Basic and diluted earnings per equity share (₹)		
(i) Continuing operations (III/IV)	0.67	6.54
(ii) Discontinued operations (II/IV)	(0.41)	(1.31)
(iii) Total operations (i+ii)	0.26	5.23
Face value per equity share (₹)	2.00	2.00

Note:

The Holding Company does not have any outstanding dilutive potential equity shares as at 31 March 2020 and 31 March 2019. Consequently, basic and diluted earnings per share of the Holding Company remains the same.

50 (b) Transitional Provision- Ind AS 116, 'Leases'

The Group has adopted the new accounting standard i.e. Ind AS 116, 'Leases', which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17, 'Leases'.

The adoption of this new standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in other equity as an adjustment to the opening balance of retained earnings for the current year. Prior periods have not been restated. The Group has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has recognised a right-of-use asset on the date of initial application at its carrying amount as if the new standard had been applied since the commencement date of lease but discounted using the incremental borrowing rate at the date of initial application. On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 12% p.a. for Holding Company, 4.45% p.a. for EKC International FZE and 5.25% p.a. for CP Industries Holdings, Inc.

Practical expedient opted by Group:

- For contracts in place at the date of transition, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C to Ind AS 17.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition to Ind AS 116, being 1 April 2019.
- On transition, the Group has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Exemptions availed by Group:

The Group has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

The maturity analysis of lease liabilities are disclosed in note 41(B)

The Company has accrued ₹ 261.81 Lakhs as lease rent expenses during the year ended 31 March 2020 which pertains to short-term leases / low value assets (Refer note 36)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group's lease asset primarily consist of leases for building (premises), warehouses and storage cylinders having various lease terms. 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 ₹ 1,946.25 lakhs by adjusting retained earnings by ₹ 164.76 lakhs (net of tax), including adjustments for prepaid/accrued rent, as at the aforesaid date. In the Consolidated 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 year is not comparable.

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

(₹ in lakhs)

Particulars	Year ended 31 March 2020 (Erstwhile basis)	Year ended 31 March 2020 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	16,556.33	16,097.19	459.14
Finance costs	3,452.52	3,585.52	(133.00)
Depreciation and amortisation	2,686.51	3,028.75	(342.24)
Profit before tax	1,716.15	1,700.05	(16.10)

The Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	As at 31 March 2020
Right-of-use assets	
Buildings	1,642.15
	1,642.15
Lease liabilities	
Current	337.51
Non-current	1,607.77
	1,945.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Amounts recognised in Standalone Statement of Profit and Loss

(₹ in lakhs)

	Year ended 31 March 2020
Depreciation charge on Right-of-use assets	
Buildings	342.24
	342.24
Interest expense included in finance cost	133.00
Expense relating to short-term leases	261.81
Expense relating to leases of low-value assets that are not shown above as short-term leases	-
Expense relating to variable lease payments not included in lease liability	-
Total cash outflow for leases during current financial year (excluding short term leases)	471.75
Additions to the right of use assets during the current financial year	11.71

Details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2020
Less than 1 year	469.56
1-5 years	1,343.09
More than 5 years	544.67
As at 31 March 2020	2,357.32

51 Research and development expenses

Total research and development expenses incurred at CP Industries Holdings, Inc. were approximately ₹ 64.88 lakhs (31 March 2019: ₹ 149.29 lakhs). The entire research and development costs is not eligible for capitalisation and is debited to the Consolidated Statement of Profit and Loss.

52 Assets Pledged as security

The carrying values of assets pledged as security are as under:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non-current assets		
Property, plant and equipment	29,266.87	29,618.34
Capital work-in-progress	2,607.58	1,745.14
Intangible assets	88.97	103.54
Loans	208.94	205.11
Current assets		
Financial assets		
Investments	-	2.99
Trade receivables	10,835.80	11,466.39
Cash and cash equivalents	1,194.11	529.10
Bank balances other than cash and cash equivalents	2,280.71	2,151.55
Loans	100.24	1,488.16
Other financial assets	375.32	291.49
Non financial assets		
Inventories	21,995.50	23,573.13
Other current assets	1,615.04	1,607.18
Assets classified as held for sale	1,834.94	1,834.94
Total	72,404.02	74,617.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 53 The outstanding balances (before eliminating inter-company balances) of the Holding Company as at 31 March 2020 include trade payables aggregating ₹ 8,942.27 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,355.41 lakhs, trade receivables aggregating ₹ 42.28 lakhs (net of provision ₹ 23.44 lakhs) and interest receivable aggregating ₹ 2,297.23 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, as amended from time to time 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 consolidated financial statements, and accordingly, the consolidated financial statements do not include any adjustments that may arise due to such delay/default.
- 54 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 statements, 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 statements, which may differ from that considered as at the date of approval of these financial statements. 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.
55. During the year ended 31 March 2013, a provision of ₹ 4,469.35 lakhs was made in respect of trade receivables of EKC International FZE, UAE, that were due for more than one year as at the end of that financial year, due to the prevalent geo-political situation in the Middle East and out of abundant caution. During the year ended 31 March 2020, ₹ 134.86 lakhs (31 March 2019: ₹ 113.94 lakhs) have been recovered against the same. Management is confident of recovering the balance of receivables of ₹ 1,157.71 lakhs (31 March 2019: ₹ 1205.99 lakhs).
56. The Financial Statements were authorised for issue by the directors on 10 July 2020.

As per our report of even date attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No: 042423

Place : Mumbai

Date : 10 July 2020

For and on behalf of the Board of Directors

Pushkar Khurana

Chairman & Executive Director

DIN: 00040489

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 10 July 2020

Puneet Khurana

Managing Director

DIN: 00004074

Bhagyashree Kanekar

Company Secretary





Clean Energy Solution Company

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