

EKC International FZE
Jebel Ali Free Zone, Dubai, U.A.E.

15th Audited Financial Statements
Year Ended March 31, 2021

C O N T E N T S

P A G E

| | |
|---|---------|
| Index | 1 |
| Independent Auditor's Report | 2, 3 |
| Components of Financial Statements | |
| > Statement of Financial Position | 4 |
| > Income Statement | 5 |
| > Statement of Changes in Equity | 6 |
| > Statement of Cash Flows | 7 |
| > Accounting Policies and Explanatory Notes | 8 to 23 |
| > Property, Plant and Equipment Schedule | 24 |
| Other Information | 25, 26 |

Independent Auditor's Report to the Sole Shareholder of

EKC International FZE

P.O. Box 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of EKC International FZE, Dubai, U.A.E. which comprise the Statement of Financial Position as at March 31, 2021, and the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained up to the date of our auditor's report is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Except for the following matters described in paragraph below, In our opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the company as at March 31, 2021, the Results of its Operations, Changes in Equity and its Cash Flows for the year ended March 31, 2021 in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and comply with Law no 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued by Jebel Ali Free Zone Authority, Government of Dubai, UAE.

Investment in Subsidiaries and Loans to them

As stated in Note 4 and 6 to the financial statements, the Company's Investments as at March 31, 2021 include Investments in Wholly Owned Subsidiaries aggregating to AED 28,383,523/-; and Unsecured Loans Given to Subsidiaries and Step Down Subsidiaries with interest thereon aggregating to AED 143,725,241/- and are being considered good and recoverable by the management. However these Subsidiaries have Accumulated Losses and their Networth is fully eroded. Further these Subsidiaries are facing liquidity constraints due to which they may not be able to achieve projections made as per their respective business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these Investments and recoverability of the aforesaid dues and the consequential impact if any on the accompanying Financial Statements. However interest income is being accounted on these loans. Refer Note 21.

Without qualifying our opinion, we draw attention to the following matter:

These are standalone financial statements of the company. Financial statements consolidating the 100% subsidiary EKC Europe GmbH, Germany, 100% subsidiary EKC Hungary KFT, Hungary and its step down 100% subsidiary CP Industries Holding Inc, USA are issued by the ultimate parent Everest Kanto Cylinder Limited, India.

for Parag Parekh and Co
Chartered Accountants



Parag Prataap Parekh
MOE Regn no 449
Dubai, United Arab Emirates
Dated : May 17, 2021



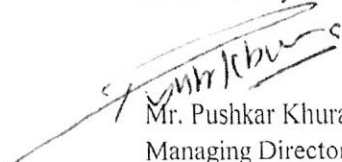
EKC International FZE, Jebel Ali Free Zone, Dubai, U.A.E.

As at March 31, 2021

Statement of Financial Position in UAE Dirhams

| | Note | As at 31.3.2021 | As at 31.3.2020 |
|--|----------|--------------------|--------------------|
| Non Current Assets | | | |
| Property, Plant and Equipment - Gross Block | Sch | 74,783,291 | 72,289,994 |
| Accumulated Depreciation | | -44,500,708 | -42,199,339 |
| Net Block | | 30,282,583 | 30,090,655 |
| Capital Work in Progress (Machinery) | | 0 | 113,770 |
| Sub total | a | 30,282,583 | 30,204,425 |
| Investment in Wholly Owned Subsidiaries | 3 | 28,383,523 | 28,383,523 |
| Investment in Associates | 8 | 0 | 41,230,633 |
| Unsecured Loans Given to Subsidiaries | 4 | 143,725,241 | 144,562,241 |
| Sub Total | b | 172,108,764 | 214,176,397 |
| Current Assets | | | |
| Inventory | 5 | 37,870,271 | 44,477,544 |
| Sundry Debtors (Net) | 6 | 9,781,063 | 11,291,273 |
| Cash and Bank Balances | 7 | 1,639,904 | 7,826,795 |
| Sale proceeds of Investment in Associates Receivable | 8 | 1,979,702 | 0 |
| Deposits, Advances & Prepayments | 9 | 10,280,577 | 3,019,639 |
| Due from Related Parties incl RP Debtors (Net) | 10 | 42,089,523 | 47,123,152 |
| Duties and Taxes (Vat Refundable) | 11 | 122,573 | 197,549 |
| Sub total | c | 103,763,613 | 113,935,952 |
| Less : Current Liabilities | | | |
| Sundry Creditors | 12 | 8,706,133 | 7,616,832 |
| Accruals | 13 | 572,814 | 444,762 |
| Secured Loans from Banks - Current Portion | 14 | 13,308,177 | 40,402,432 |
| Unsecured Loans from Related Party | 15 | 1,858,578 | 1,768,113 |
| Sub total | d | 24,445,702 | 50,232,139 |
| Net Current Assets | e = c-d | 79,317,911 | 63,703,813 |
| Non Current liabilities | | | |
| Secured Loans from Banks - Non Current Portion | 14, f | 247,778 | 341,988 |
| Net Assets | a, b,e,f | 281,461,480 | 307,742,647 |
| Shareholders Equity | | | |
| Share Capital | 1a | 1,000,000 | 1,000,000 |
| Additional Capital | 1a | 16,203,619 | 16,203,619 |
| Accumulated Profits | | 264,257,861 | 290,539,028 |
| Total | | 281,461,480 | 307,742,647 |

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were authorised for issue on May 17, 2021 on behalf of the Board by


Mr. Pushkar Khurana
Managing Director



Parag Parekh & Co
Chartered Accountants



EKC International FZE

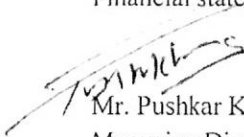
P.O. Box No. 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Income statement

Year Ended March 31, 2021

| All figures are expressed in U.A.E. Dirhams | | YE | YE |
|--|-------|--------------------|-------------------|
| | Note | 31.3.2021 | 31.3.2020 |
| Sales | | | |
| Sales -Manufacturing | | 52,277,689 | 67,771,915 |
| Sales-Trading | | 4,806,841 | 2,659,297 |
| Sub - total | | 57,084,530 | 70,431,212 |
| Increase /(Decrease) in Stock of FG/WIP | 16 | 873,569 | -1,969,956 |
| Total Income | | 57,958,099 | 68,461,256 |
| Expenses | | | |
| Raw Materials Consumed | 17 | 26,440,273 | 35,270,710 |
| Trading Cost of Sales | 18 | 3,326,639 | 1,861,713 |
| Manufacturing Expenses | 19 | 11,044,839 | 10,739,271 |
| Personnel Expenses | 20 | 7,420,303 | 8,161,586 |
| Selling Expenses | | 2,463,255 | 3,712,555 |
| Administrative Expenses | | 1,887,534 | 2,832,819 |
| Finance Expenses | | 1,934,809 | 3,694,085 |
| Interest Income from Loan to Related Parties | 21 | -1,254,900 | -2,580,330 |
| Bad Debts Written Off | | 0 | 816,335 |
| Depreciation | Sch | 2,301,369 | 2,202,457 |
| Total Expenses | | 55,564,121 | 66,711,201 |
| Net Profit / (Loss) from Operations | | 2,393,978 | 1,750,055 |
| Other Income | | 96,664 | 90,012 |
| Net Profit | | 2,490,642 | 1,840,067 |
| Exceptional Items | | | |
| Provision for Doubtful Debts | 6iv | -5,191,074 | 0 |
| Extra - Ordinary Items | | | |
| Loss on sale of Investment in Associate's Equity | 8, 22 | -23,580,735 | 0 |
| Interest Receivable on Loan to EKC China Written Off | | 0 | -6,045,907 |
| Net Profit / (Loss) carried to Accumulated Profits | | -26,281,167 | -4,205,840 |

Financial statements were authorised on May 17, 2021 on behalf of the Board by


 Mr. Pushkar Khurana
 Managing Director

 Parag Parekh & Co
 Chartered Accountants


EKC International FZE

P.O. Box No. 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Statement of Changes in Equity

Year Ended March 31, 2021

All figures are expressed in **UAE Dirhams**

| | Share Capital | Additional Capital | Accumulated Profits | Total |
|--------------------------------|------------------|-----------------------|------------------------|-------------|
| Balance as at 31.3.2020 | 1,000,000 | 16,203,619 | 290,539,028 | 307,742,647 |
| Transfer from Income Statement | 0 | 0 | -26,281,167 | -26,281,167 |
| Balance as at 31.3.2021 | 1,000,000 | 16,203,619 | 264,257,861 | 281,461,480 |
| Balance as at 31.3.2019 | 1,000,000 | 16,203,619 | 294,744,868 | 311,948,487 |
| Transfer from Income Statement | 0 | 0 | -4,205,840 | -4,205,840 |
| Balance as at 31.3.2020 | 1,000,000 | 16,203,619 | 290,539,028 | 307,742,647 |



EKC International FZE

Statement of Cash Flows in UAE Dirhams Year Ended March 31, 2021

| | YE 31.3.2021 | YE 31.3.2020 |
|---|---------------------|-----------------|
| I Cash flow from Operating Activities | | |
| Net Profit / (Loss) | -26,281,167 | -4,205,840 |
| Add: Loss on Sale of Investment in Associates | 22,257,786 | 0 |
| Add: Depreciation | 2,301,369 | 2,202,457 |
| Add: Finance expenses | 1,934,809 | 3,694,085 |
| Less : Profit on Sale of Vehicles | 0 | -12,000 |
| Add : Interest Expenses on Loans from Related Party | 90,465 | 90,713 |
| Less : Interest income from RP and Fixed Deposits | -1,261,371 | -2,589,881 |
| Operating Profit before changes in operating assets and liabilities | -958,109 | -820,466 |
| Inventory | 6,607,273 | -3,782,948 |
| Sundry Debtors | 1,510,210 | 2,853,699 |
| Deposits, Advances & Prepayments | -7,260,938 | 400,155 |
| Sundry Creditors | 1,089,301 | -2,239,717 |
| Accruals | 128,052 | -12,868 |
| Duties and Taxes (Vat Refundable) | 74,976 | 93,953 |
| Net Cash from / (used in) Operating Activities | 1,190,765 | -3,508,192 |
| II Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment | -2,379,527 | -1,442,584 |
| Proceeds from sales of Property, Plant and Equipment | 0 | 12,000 |
| Sale proceeds of Investment in EKC China Received | 16,993,145 | 0 |
| Unsecured Loans given to Subsidiaries | 837,000 | -2,580,330 |
| Fixed Deposits (Under Lien) | 3,797,240 | 1,044,543 |
| Due from Related Parties (Net) | 5,033,629 | 10,841,770 |
| Interest Income from RP and Fixed Deposits | 1,261,371 | 2,589,881 |
| Net Cash used in Investing Activities | 25,542,858 | 10,465,280 |
| III Cash Flow from Financing Activities | | |
| Secured Loans from Banks | -140,935 | -19,977 |
| Unsecured Loans from Others | 0 | -11,583,487 |
| Finance Expenses | -1,934,809 | -3,694,085 |
| Net Cash from / (used) in Financing Activities | -2,075,744 | -15,297,549 |
| Changes in Cash and Cash Equivalents | I+II+III 24,657,879 | -8,340,461 |
| Cash & Cash Equivalents at the year beginning | -36,959,708 | -28,619,247 |
| Cash and Cash Equivalents at the year end | -12,301,829 | -36,959,708 |
| | 0 | 0 |
| Supplemental Cash Flow Statement Information | | |
| Non-Cash Transactions | Nil | Nil |



EKC International FZE

P.O.Box No. 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Accounting Policies and Explanatory Notes

Year Ended March 31, 2021

All figures are expressed in U.A.E. Dirhams

1a Legal Status

EKC International FZE is incorporated as a Free Zone Establishment with Limited Liability Pursuant to Law no. 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority, Government of Dubai, U.A.E.

The Jebel Ali Free Zone Authority, Dubai, U.A.E has issued the Certificate of Formation number 1340 dated 17.6.2006, Trading Licence number 6963 dated 30.6.2006 and the Industrial Licence number 7676 dated 15.4.2007.

The registered office of the company is located at Plot MO0313 , Jebel Ali Free Zone, Dubai, U.A.E.

Everest Kanto Cylinder Limited, Mumbai, India, is the sole shareholder of the company. The company is hence a wholly owned subsidiary. The Parent is a listed Public Company in India.

To comply with local regulations, the company is registered with a share capital of AED 1 million comprising of one share of AED 1 million. However the shareholder's additional investments are presented as additional share capital in these financial statements.

The company has established three branches as follows:

| Registration Number | Date | Country |
|---------------------|------------|----------|
| 2276436 | 05.12.2012 | Colombia |
| 13122061 | 11.11.2013 | Peru |
| EIF180510N54 | 24.05.2018 | Mexico |

Transactions for these branches are accounted in company's main books of accounts.

1b Business Activities

The company is engaged in the business of manufacturing of High Pressure Gas cylinders through its 2 plants in Jebel Ali Free Zone, Dubai, UAE.

The company also started trading in Fire Protection Systems (Pre-Engineered & Total Flooding System) under 'Fire Fighting Division' with effect from March 2016. Financial performance for this division is given in Segment reporting notes.



1c Management

As per the Parent Company's Board Resolution dated 14.1.2006, the company is managed by Mr. Pushkar Khurana, Managing Director.

2 Accounting Policies

The company presents its annual financial statements in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities issued by the International Accounting Standards Board. Management chooses and applies its accounting policies consistently to similar transactions and events, unless otherwise stated.

a Accounting Basis

These financial Statements, **except for** employees end of service benefits are prepared under the accrual basis of accounting. Under the accrual basis of accounting, transactions and events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

b. Measurement Basis

These Financial Statements have been prepared on historical cost basis.

c. Functional/ Presentation Currency

Items included in the Financial statements are measured using the currency of the primary economic environment in which the entity operates viz. the UAE Dirhams (AED).

d. Property, Plant and Equipment (Section 17 - IFRS for SMEs)

Property, plant and equipment is initially recognised at their purchase cost together with any incidental expenses of acquisition and excluding ANY borrowing costs incurred. Subsequently PPE is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment has been computed from the date of purchase at Straight Line Method at the rates prescribed under Part "C", Schedule II of the Indian Companies Act 2013 with effect from April 1, 2014 to maintain consistency with the depreciation policies followed by the parent company, Till March 31, 2014 the company followed rates prescribed under Schedule XIV of the Indian Companies Act of 1956.

Depreciation begins when assets are available to use. Depreciation does not cease if assets are idle.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income.



e Investment in Subsidiaries (Equity holding of 51% or more)

Section 9 - IFRS for SMEs - Consolidated and Separate Financial statements

A subsidiary is an entity controlled by the parent company. Control is said to exist when the parent has the power to govern the financial and operating policies of the entity so as to obtain economic benefits.

A parent prepares consolidated financial statements in which it consolidates its investments in subsidiaries in accordance with IFRS for SMEs.

When a parent prepares separate financial statements, they will account the investment in subsidiaries at cost less impairment or at fair value with changes in fair value recognised in the profit or loss, *irrespective of whether the subsidiary is newly incorporated or acquired*.

If an entity ceases to be a subsidiary but the investor continues to hold an investment in the former subsidiary that investment is accounted for as a financial asset in accordance with Section 11 (basic financial instruments) or Section 12 (other financial instruments) from the date the entity ceases to be a subsidiary, provided that it does not become an associate or a jointly controlled entity. The carrying amount of the investment at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

**f Investment in Associates (equity holding between 20% to 49%)
(Section 14 - IFRS for SMEs)**

Associates are entities over which the investor has significant influence but has no control or joint control. Where the investor holds shareholding between 20% and 49% of the voting rights **significant influence** exists.

The investor can account for its investments by either the cost or equity or fair value method.

The company has elected to account for investments in associates at cost less any accumulated impairment losses unless published price quotations are available, in which case, the company will measure its investments at fair value with changes in fair value recognised in the income statement.

Under the cost and fair value methods, the company will recognise dividends and other distributions received as income on accrual basis when the right to receive dividends is established.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised to the income statement.



g Inventory (Section 13 -IFRS for SMEs)

- i** Inventories of raw materials, consumables and trading goods have been valued at lower of cost and net realisable value. Cost is determined by FIFO method. Cost includes all the expenses incurred in bringing the inventories to their present location.
- ii** Inventories of work in process and finished goods have been valued at lower of cost and net realisable value. Cost is determined by FIFO method. Cost includes cost of raw materials consumed, labour and other manufacturing overheads incurred.
- iii** Net realisable value is the estimate of selling price in the ordinary course of business less selling expenses. At each reporting date, inventory is assessed for impairment due to damage and obsolescence. If inventory is impaired, it is measured at its selling price less costs to complete and sell; and to recognise the impairment loss in profit or loss.
- iv** Inventory being held for 3 years or more is considered as slow moving and provided for.

h Trade Debtors (Section 11 - IFRS for SMEs)

Trade Debtors are recognised initially at transaction price and subsequently carried at anticipated realisable value. Provision for impairment is made for doubtful debtors based on a review of the ageing analysis at the statement of financial position date. Individual trade debtors balances are written off when there is an objective evidence that the amount due will not be collected.

i Impairment of Tangible Assets (Section 27 - IFRS for SMEs)

At each Statement of Financial Position date, the company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

j Foreign Currency Translation (Section 30 - IFRS for SMEs)

Foreign currency transactions are converted into U.A.E. Dirhams at the prevailing rate of exchange.

Foreign currency balances as on Statement of Financial Position date are reinstated into U.A.E. Dirhams at the prevailing rate of exchange.

Foreign currency loss or gains arising are accounted to the income statement.

k Accounting for Operating Leases (Section 20 - IFRS for SMEs)

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.



Where the company is a Lessee:

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1 Revenue Recognition

Sales are recognised when the company has transferred to the buyer significant risks and rewards of ownership of goods.

m Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprises of cash, bank overdraft, bank current and call accounts, fixed deposits free from lien with a maturity date of 3 months or less from the date of deposit.

| | | |
|------------------------|-------------|-------------|
| Cash in Hand | 16,792 | 97,530 |
| Balance with Banks | | |
| Current Accounts | 870,462 | 3,179,375 |
| Bank Overdraft account | -13,189,083 | -40,236,613 |
| Total | -12,301,829 | -36,959,708 |

3 Investment in Wholly Owned Subsidiaries (at cost)

| | | |
|-----------------------------|------------|------------|
| 3a EKC Hungary Ltd, Hungary | 28,247,627 | 28,247,627 |
| 3b EKC Europe GmbH, Germany | 135,896 | 135,896 |
| Total | 28,383,523 | 28,383,523 |

Notes :**3a EKC Hungary Ltd, Hungary**

Investment in share capital represents remittances in U.S.Dollar as under:

| | USD | Exchange | HUF |
|--|-----------|----------|---------------|
| Initial Remittance | 7,098,089 | 159.76 | 1,134,000,000 |
| Conversion of Loan portion into share capital dated 2.9.2010 | 579,152 | 228.99 | 132,620,000 |
| Advance for Capital trf to capital 1.4.2014 | 11,941 | 226.95 | 2,710,010 |
| Share capital as at this balance date | 7,689,182 | | 1,269,330,010 |

- i As per management policy, these investments are retained at the rate of exchange on actual remittance. There will be no exchange losses arising due to fluctuations in the USD to HUF rates as the UAE Dirham is pegged to the U.S.Dollar at fixed exchange rate of 1 USD = 3.673 UAE Dirhams. The investments are in US Dollars and the eventual return of capital invested will also be in US Dollars. For info only USD 1 = HUF 309.30 as at 31.3.2021



- ii As a part of its globalisation in manufacturing 'CNG and other gases' cylinders, the company has incorporated a wholly owned subsidiary EKC Hungary Ltd. EKC Hungary Ltd, has further incorporated a wholly owned subsidiary CP Industries Holdings Inc., Pittsburgh, USA and acquired net assets of CP Industries, a division of Reunion Industries Inc., USA for USD 60.2M.
- iii Based on Auditors Report, the shareholders equity as at 31.12.2020 of EKC Hungary KFT (investee company) is negative at USD 221,753/- as against our equity investment of USD 7,689,182/-. However Management has opted not to writedown its investments in these standalone financial statements as the consolidated financial statements issued by the parent reflect the writedowns / impairments after eliminating inter company balances.

3b EKC Europe GmbH, Germany

The company has acquired 100% shares of Blitz D11- eins-sschs-diei GmbH, Germany a shelf company in total purchase consideration of Euro 27,000/- for 25,000 shares of Euro 1. Full payment has been made on October 1, 2011.

Blitz D11- eins-sschs-diei GmbH has changed it's name to EKC Europe GmbH, Germany with effect from 17.2.2012 .

The investments are in Euro and the eventual return of capital invested will also be in Euro. For info only Euro 1 = AED 4.306 as at 31.3.2021

As per Management Accounts, the shareholders net equity as at 31.12.2020 of the investee company is negative at Euro 432,992/- as against our equity investment of Euro 27,000/-. However Management has opted not to writedown its investments in these standalone financial statements as the consolidated financial statements issued by the parent reflect the writedowns / impairments after eliminating inter company balances.

4 Unsecured Loans Given to Subsidiaries

| | | | |
|---|--|-------------|-------------|
| a | Loan given to wholly owned subsidiary, EKC Hungary (USD) | 49,372,866 | 51,464,766 |
| b | Loan given to wholly owned subsidiary EKC Europe GmbH, Germany (Euro) | 1,222,712 | 1,222,712 |
| | Interest receivable | 95,082 | 60,252 |
| c | Loan given to step down subsidiary, CP Industries Holdings Inc.USA (USD) | 77,592,608 | 77,592,608 |
| | Interest receivable | 15,441,973 | 14,221,903 |
| | Total | 143,725,241 | 144,562,241 |

Notes:



- i The company has given US Dollar loans to its Wholly Owned Subsidiary EKC Hungary Ltd, Hungary. The loan is interest free from 1.4.2010 as per amended loan contract dated 1-6-2010. It's repayable on demand.

However, there is no repayment since 12.4.2008 hence it is taken to non current assets.

- ii The company has given Euro loans to its Wholly Owned Subsidiary EKC Europe GmbH, Germany at a interest rate of 3 months LIBOR + 3 %. p.a. repayable over 1 year and hence are considered as non current assets.

As per management policy, these loans are retained at the rate of exchange on actual remittance. The Loans given are in Euro and the repayment of loans will also be in Euro.

- iii The company has given US Dollar loans to its step down wholly owned subsidiary CP Industries Holdings Inc., USA bearing interest at floating rates of 3 months LIBOR + 1 % repayment date extended up to 31.3.2022; however it is not been repaid since July 2010 hence it is presented as non current assets.

Audited Shareholders Equity as at 31.12.2020 is negative at USD 7,393,498/-

- iv Though the Net worth of the Investee companies is negative, Management has opted not to write-down above Unsecured Loans Given on its impairment in these standalone financial statements as the consolidated financial statements issued by the parent reflect the write-downs / impairments after eliminating inter company balances.

5 Inventory (at FIFO method)

(As Valued, Verified & Certified by Managing Director)

| | | |
|---------------------------------|------------|------------|
| Raw materials- Pipes | 7,953,431 | 16,017,249 |
| Raw materials - Valves | 584,980 | 471,987 |
| Work-in-Process | 14,473,657 | 15,956,937 |
| Finished Goods | 6,352,578 | 3,971,375 |
| Trading Goods | 3,398,315 | 3,432,579 |
| Fuel & Gas | 34,970 | 31,416 |
| Stores and Consumables | 5,315,669 | 4,839,330 |
| Sub Total | 38,113,600 | 44,720,873 |
| Provision for Slow Moving Items | -243,329 | -243,329 |
| Total | 37,870,271 | 44,477,544 |

6 Sundry Debtors

| | | |
|------------------------------|------------|------------|
| Sundry Debtors | 14,972,137 | 11,291,273 |
| Provision for Doubtful Debts | -5,191,074 | 0 |
| Total | 9,781,063 | 11,291,273 |



Notes:

| | | | |
|------------|---|-------------------|-------------------|
| i | Outstanding for less than six months | | |
| | - Secured By LC | 2,083,152 | 1,069,848 |
| | - Unsecured | 6,500,458 | 4,530,351 |
| | <i>Sub Total</i> | <u>8,583,611</u> | <u>5,600,199</u> |
| ii | Outstanding for more than six months | | |
| | - Secured By LC | 1,167,941 | 0 |
| | - Unsecured | 5,220,585 | 5,691,074 |
| | <i>Sub Total</i> | <u>6,388,526</u> | <u>5,691,074</u> |
| | Total | <u>14,972,137</u> | <u>11,291,273</u> |
| iii | Subsequent receipts incl Post Dated Cheques till 25.6.2021 | 2,347,788 | |
| iv | Provision for doubtful debts is made for outstanding for more than 9 years. | | |
| v | Balances are taken as per books pending confirmations. | | |

7 Cash & Bank Balances

| | | |
|--------------------------------|------------------|------------------|
| Cash On Hand | 16,792 | 97,530 |
| Balance with Banks | | |
| In Current Accounts | 870,462 | 3,179,375 |
| In Fixed Deposits (Under lien) | 752,650 | 4,549,890 |
| Total | <u>1,639,904</u> | <u>7,826,795</u> |

8 Sale Proceeds of Investment in Associates Receivable

| | | |
|--|------------------|-------------------|
| Investment in 36.04% equity of EKC Industries (Tianjin) Co. Ltd., China. (At Cost) | 41,230,633 | 41,230,633 |
| Loss on Sales of Investment in Associate's Equity | -22,257,786 | 0 |
| Sale Proceeds Received | -16,993,145 | 0 |
| Total | <u>1,979,702</u> | <u>41,230,633</u> |

Note :

- i** An Agreement for Sale of Investment in Equity dated 15.4.2018 had been entered into by EKC India and EKC Dubai with a Third Party to transfer 100% shares in EKC China for a consideration of RMB/CNY 93,500,000 (Equivalent to AED 52,646,396/-) and each seller's share in the consideration receivable is :

| | Share | RMB/CNY | AED |
|---|-------------|-------------------|-------------------|
| EKC International FZE, Dubai, U.A.E. | 36.04% | 33,695,776 | 18,972,847 |
| Everest Kanto Cylinder Limited, Mumbai, India | 63.96% | 59,804,224 | 33,673,549 |
| Total | <u>100%</u> | <u>93,500,000</u> | <u>52,646,396</u> |



- ii The company has received AED 16,993,145/- against their share in their bank account on April 1, 2021. However the receipt is recognized in the books on March 31, 2021.
- iii Balance amount is held in the escrow account ; subsequent balance as on 6.5.2021 is CNY 8,371,126/-
- iv Another party (Tianjin Xinbailum Technology Co. Ltd) has filed litigation against EKC Industries (Tianjin) Co. Ltd, China in the Tianjin Wuqing District Court, on the ground of dispute over some portion of land sold to them before executing above sale contract for RMB 93.5M. Though they are in possession of the land, the registration of land in their name is still pending. Hence release of balance amount of AED 1,979,702/- from Escrow account is on hold.
- v However management is of opinion that the decision will be in favour of the company as they have fulfilled all required procedures to transfer the land and balance receivable is good and recoverable.

9 Deposits, Advances & Prepayments

(unsecured and considered good)

| | | |
|--------------------------------------|------------|-----------|
| Deposits | 226,242 | 223,337 |
| Advances to Suppliers | 9,931,962 | 2,167,652 |
| Advance to Staff | 6,015 | 11,173 |
| Prepaid Expenses | 116,358 | 382,913 |
| Penal Interest recoverable from IDBI | 0 | 234,564 |
| Total | 10,280,577 | 3,019,639 |

10 Due from Related Parties incl RP Debtors (Net)

| | | |
|--|------------|------------|
| a EKC Industries -Dubai Branch of Parent Company -(net) | 1,451,716 | 1,607,678 |
| b Everest Kanto Cylinder Ltd, India (Parent Company)-(net) | 43,123,117 | 44,180,902 |
| c C.P.Industries Holding Inc., USA (Step Down WOS) | -1,542,894 | -722,992 |
| d EKC Europe GmbH, Germany (Wholly Owned Subsidiary) | 2,477,107 | 5,477,087 |
| e EKC (Industries) Thailand Co Ltd (WOS of Parent Co) | -3,419,523 | -3,419,523 |
| Total | 42,089,523 | 47,123,152 |

Balances are Confirmed by Related parties

11 Duties and Taxes (Vat Refundable)

| | | |
|---|---------|---------|
| Refund Due Q.E.January 2020 | 0 | 125,020 |
| Net Input For February and March 2020 | 0 | 72,529 |
| Net Input For February and March 2021 (QE Apr 21) | 122,573 | 0 |
| Total | 122,573 | 197,549 |



12 Sundry Creditors

| | | |
|-----------------------------|-----------|-----------|
| For Capital Expenditure | 48,590 | 102,071 |
| For RM, Stores and Expenses | 7,293,135 | 6,535,187 |
| Advance from Customers | 1,364,408 | 979,574 |
| Total | 8,706,133 | 7,616,832 |

Balances are taken as per Books pending confirmations

13 Accruals

| | | |
|----------------------------|---------|---------|
| Rent Payable | 97,150 | 0 |
| Salaries and Wages Payable | 475,664 | 444,762 |
| Total | 572,814 | 444,762 |

14 Secured loans from Banks

Current Portion

| | | |
|-------------------------|------------|------------|
| Bank Overdraft - NBF | 13,189,083 | 19,491,728 |
| Bank Overdraft - IDBI | 0 | 20,744,885 |
| Vehicle Loans from Bank | 119,094 | 165,819 |
| Total | 13,308,177 | 40,402,432 |

Non Current Portion

| | | |
|-------------------------|------------|------------|
| Vehicle Loans from Bank | 247,778 | 341,988 |
| Total | 13,555,955 | 40,744,420 |

Notes:

- a Total Facilities** of AED 24.8 Million are from **National Bank of Fujairah**, Dubai, U.A.E. bearing rate of Interest of 1.85% p.a. over 1M LIBOR for Overdrafts and 2.25% p.a. over 3M EIBOR for Trust Receipts. Facility includes Overdraft, Trust Receipts, Letters of Credit and Guarantees. 100% Margin kept for Labour Guarantees.
- b Total Facilities** of AED 8.4 Million are from **Bank of Baroda** Dubai, U.A.E. bearing rate of Interest of 3M EIBOR + 5.05% with minimum 7.25% p.a. payable quarterly. Facility includes Overdraft, Trust Receipts, Local Cheques / Bills Discounting, Export Bills Purchase / Discounting, Import Bills Financing and Letters of Credit.

These facilities are secured by Assignment of Stocks, Fixed and Moveable Assets, Receivables, Lien over Fixed Deposits and mortgage of Residential Properties in Dubai, U.A.E in personal name of Director and Assignment of Insurance policy covering Stocks and mortgaged properties.

- c Vehicles Loans** are secured by hypothecation of vehicles and are at fixed rates of interest. These loans are repayable in 48 to 60 monthly instalments.



15 Unsecured Loan from Related Party

| | | |
|------------------------------------|------------------|------------------|
| EKC Industries (Thailand) Co. Ltd. | 1,247,800 | 1,247,800 |
| Interest Payable on Loan taken | 610,778 | 520,313 |
| Total | <u>1,858,578</u> | <u>1,768,113</u> |

The Loan is Unsecured, repayable on demand, bearing interest rate of 7.25% p.a.

16 Decrease / (Increase) in Stock**Work in Process**

| | | |
|---------------|--------------------|------------------|
| Opening Stock | 15,956,937 | 17,674,489 |
| Closing Stock | -14,473,657 | -15,956,937 |
| Sub Total | <u>a 1,483,280</u> | <u>1,717,552</u> |

Finished Goods

| | | |
|---------------------------------|---------------------|------------------|
| Opening stock | 3,971,375 | 4,223,779 |
| Transfer from Trading Cylinders | 24,354 | 0 |
| Closing Stock | -6,352,578 | -3,971,375 |
| Sub Total | <u>b -2,356,849</u> | <u>252,404</u> |
| Total | <u>a+b -873,569</u> | <u>1,969,956</u> |

17 Raw Materials Consumed

| | | |
|-------------------------------|-------------------|-------------------|
| Opening Stock | 16,489,236 | 10,828,520 |
| Purchases and Direct Expenses | 19,511,844 | 40,948,615 |
| Transferred to Trading Pipes | -1,012,196 | 0 |
| Transferred to Trading Valves | -10,200 | -17,189 |
| Closing stock | -8,538,411 | -16,489,236 |
| Total | <u>26,440,273</u> | <u>35,270,710</u> |

18 Trading Cost of Sales

| | | |
|-------------------------------------|-----------|-----------|
| Opening Stock | 3,432,579 | 3,231,154 |
| Trading Purchases & Direct Expenses | 2,294,333 | 2,045,949 |

Transfer -In

| | | |
|-----------------------------|-----------|--------|
| RM Pipes to Trading Pipes | 1,012,196 | 0 |
| RM Valves to Trading Valves | 10,200 | 17,189 |

Transfer -Out

| | | |
|-----------------------------------|------------------|------------------|
| Trading Cylinders to FG Cylinders | -24,354 | 0 |
| Closing Stock | -3,398,315 | -3,432,579 |
| Total | <u>3,326,639</u> | <u>1,861,713</u> |



19 Manufacturing Expenses

Fuel and Gas consumed

| | | | |
|---------------|---|------------------|------------------|
| Opening stock | | 31,417 | 47,485 |
| Purchases | | 1,913,206 | 2,093,135 |
| Closing Stock | | -34,970 | -31,417 |
| Sub Total | a | <u>1,909,653</u> | <u>2,109,203</u> |

Stores, Spares & Tools

| | | | |
|---------------|---|------------------|------------------|
| Opening Stock | | 4,839,330 | 4,932,499 |
| Purchase | | 4,778,377 | 2,808,856 |
| Closing Stock | b | -5,315,669 | -4,839,330 |
| Sub Total | | <u>4,302,038</u> | <u>2,902,025</u> |

Other Manufacturing overheads

| | | | |
|-------|------------|---------------------------------------|---------------------------------------|
| Total | c a+b+c | <u>4,833,148</u> <u>11,044,839</u> | <u>5,728,043</u> <u>10,739,271</u> |
|-------|------------|---------------------------------------|---------------------------------------|

20 Personnel Expenses

| | | | |
|---|--|------------------|------------------|
| Wages and benefits to supervisors and workers | | 4,206,890 | 4,657,350 |
| Salaries and benefits to staff | | 1,742,619 | 1,904,644 |
| Salaries and benefits to Directors | | 1,470,794 | 1,599,592 |
| Total | | <u>7,420,303</u> | <u>8,161,586</u> |

21 Interest Income from Loans Given to Related Parties

| | | | |
|--|--|------------------|------------------|
| Interest Income on Loan To CP Industries Holdings, USA | | 1,220,069 | 2,547,189 |
| Interest Income on Loan To EKC Europe GmbH, Germany | | 34,831 | 33,141 |
| Total | | <u>1,254,900</u> | <u>2,580,330</u> |

22 Loss on sale of Investment in Associate's Equity

| | | | |
|--|---|-------------------|----------|
| Loss on sale of Investment in Associate's Equity | 8 | 22,257,786 | 0 |
| Agency Commission | | <u>1,322,949</u> | <u>0</u> |
| Total | | <u>23,580,735</u> | <u>0</u> |



23 Lease commitments

The company has entered into lease agreements with Jebel Ali Free Zone Authority, for two plots of land in Jebel Ali Free Zone, Dubai, U.A.E. The unexpired portion of the lease commitment as at the statement of financial position date is as under :

- a Plot MO 0313 (partly subleased);** awaiting complete transfer from EKC Industries, Dubai Branch of Parent Company.

| | | |
|---|-----------|-----------|
| The lease is for the period 25.8.2016 to 24.8.2031 at a current annual rent of AED 510,000/-. | 5,312,500 | 5,822,500 |
|---|-----------|-----------|

- b Plot S21004 -** Being Utilised for Plant II.

| | | |
|---|-----------|-----------|
| The lease is for the period 5.10.2018 to 4.10.2025 at a annual rent of AED 522,840/-. | 2,352,780 | 2,875,620 |
|---|-----------|-----------|

| | | |
|-------|-----------|-----------|
| Total | 7,665,280 | 8,698,120 |
|-------|-----------|-----------|

24 Contingent liabilities

- | | | |
|---|---------|---------|
| i Letter of Guarantees (staff visas) | 500,000 | 750,000 |
|---|---------|---------|
- ii** Balance Receivable on sale of Equity Investment in EKC China is held in Escrow Account under contractual terms. Any Contingent Liabilities which may arise on this receivable is not ascertainable.

25 Significant Events occurring after the Statement of Financial Position date

There were no significant events occurring after the statement of financial position date which require disclosure.

26 Related Parties (Section 33 - IFRS for SMEs)

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party. The company sells to /buys from its related party on arms length basis and / or at cost plus margins.

Balances with related parties are stated in their respective notes; their **transactions are as under :**

- i Everest Kanto Cylinder Ltd, India (Parent Company)**

| | | |
|--|-----------|---------|
| Sales Trading -Pipes | 1,176,206 | 0 |
| Purchase Trading - Cylinders | 858,059 | 0 |
| Purchase R.M.- Pipes | 389,621 | 744,786 |
| Expenses - Stores Consumable | 595,596 | 304,199 |
| Expenses - Guarantee Commission on IDBI facility | 105,663 | 119,604 |



ii CP Industries Holdings Inc., U.S.A. (Step Down Subsidiary)

| | | |
|--|-----------|-----------|
| Sales Mfg - Export- CNG cylinders | 409,656 | 228,513 |
| Sales Trading - Cylinders | 9,909 | 0 |
| Purchase Trading - Cylinders | 0 | 67,161 |
| Interest Income on Loan To CP Industries Holdings, USA | 1,220,069 | 2,547,189 |

iii EKC Europe GmbH, Germany

| | | |
|---|-----------|-----------|
| Sales Mfg - Export - CNG / Industrial Cylinders* | 6,570,166 | 8,794,428 |
| Sales Trading - Cylinders | 877,934 | 0 |
| Sales Trading - Consumables | 0 | 3,672 |
| Interest Income on Loan To EKC Europe GmbH, Germany | 34,831 | 33,141 |

*Note : Third party sales routed thru EKC Europe. Since these are not consolidated financials with 100% subsidiary company EKC Europe GmbH, these sales can be treated as direct sales of the company.

iv EKC Thailand Co Ltd

| | | |
|--|-----------|-----------|
| Expenses - Interest on Loan Taken | 90,466 | 90,713 |
| v Sitting Fees to Independent Director | 9,000 | 3,000 |
| vi Salaries and benefits to Directors | 1,470,794 | 1,599,592 |

27 Segment reporting

The financial performance of the Fire Fighting Trading Business is as under :

| | | |
|------------------------------|-----------------|-----------------|
| Sales | 1,095,121 | 787,259 |
| Cost of Sales | | |
| Opening Stock | 141,216 | 141,216 |
| Purchase and Direct Expenses | 540,794 | 643,333 |
| Closing Stock | -141,216 | -141,216 |
| | <u>540,794</u> | <u>643,333</u> |
| Gross Profit | 554,327 | 143,926 |
| Indirect Expenses | 661,271 | 769,690 |
| Net Loss | <u>-106,944</u> | <u>-625,764</u> |



28 Financial Instruments (Section 11, 12 - IFRS for SMEs)

Financial Instruments means financial assets, financial liabilities and equity instruments.

Financial assets include Investments, cash, trade debtors, bank balances, deposits, advances and other receivables. Financial liabilities include bank borrowings, trade creditors, provisions and accruals, advances from customers, finance lease liabilities, and other payables.

a Fair Values

The fair values of the concern's financial assets and financial liabilities approximate to their carrying values.

b Credit Risk, and Exchange Rate Risk Exposure.

i Credit Risk

Financial assets, which potentially expose the company to credit risk, comprise mainly of bank balances and trade receivables.

The company's bank balances are placed with high credit quality financial institutions. As at March 31, 2021 three parties represented 71% of the outstanding trade debtors. (As at 31.3.2020 - three parties represented 74%)

Country-wise break up of Trade Debtors :

| | | |
|------------|------------|------------|
| U.A.E. | 5,506,048 | 7,228,926 |
| Bulgaria | 1,167,941 | 0 |
| Algeria | 425,720 | 0 |
| Mexico | 1,358 | 0 |
| Colombia | 1,121,813 | 2,405,158 |
| India | 1,124,632 | 669,258 |
| Peru | 231,727 | 311,414 |
| Egypt | 5,384,457 | 301,307 |
| U.S.A. | 8,441 | 0 |
| Kuwait | 0 | 196,848 |
| Bangladesh | 0 | 178,362 |
| Total | 14,972,137 | 11,291,273 |

ii Exchange Rate Risk

There is no significant exchange rate risk in transactions which are denominated in U.S.Dollars as it is fixed to UAE Dirham. Balances in other foreign currencies as at balance sheet date are:

| Balances Denominated in Euro | 31.3.2021 | 31.3.2020 |
|--|-----------|-----------|
| Due from Related Parties | | |
| EKC Europe GmbH, Germany (Wholly Owned Subsidiary) | 2,477,107 | 5,477,087 |



29 Number of Personnel as at Balance Sheet Date

| | | |
|---|-----|-----|
| Managing Director | 1 | 1 |
| Executive Director | 1 | 1 |
| Vice President (Fire Fighting Division) | 1 | 1 |
| Staff | 17 | 14 |
| Supervisors | 22 | 22 |
| Labours | 133 | 140 |
| Total | 175 | 179 |

30 Previous Year's Figures

Previous year figures are regrouped or reclassified wherever necessary so as to conform with the current year's presentation.

- 31** In the opinion of the management all the assets as shown in the financial statements are existing and realisable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

32 Additional information - Quantitative Reconciliation**a Manufacturing Operations (CNG Cylinders)**

| | 31.3.2021 | 31.3.2020 |
|--|-----------|-----------|
| Licenced Capacity | Nil | Nil |
| Installed Capacity (no's) @ 24 hours per day | 196,000 | 196,000 |
| Number of manufacturing plants | 2 | 2 |
| Units Produced during the year (numbers) | 100,870 | 130,994 |

| | 31.3.2021 | 31.3.2021 | 31.3.2020 | 31.3.2020 |
|---|-------------------|--------------|-------------------|--------------|
| b Manufactured Goods - CNG Cylinders | <i>Qty (no's)</i> | <i>Value</i> | <i>Qty (no's)</i> | <i>Value</i> |
| Opening stock | 7,807 | 3,971,375 | 6,519 | 4,223,779 |
| Production | 100,870 | 42,577,048 | 130,994 | 50,414,083 |
| Sales <i>at sale value</i> | 97,514 | 52,277,689 | 129,706 | 67,771,915 |
| Closing stock | 11,163 | 6,352,578 | 7,807 | 3,971,375 |



EKC International FZE
P.O. Box 61041, Jebel Ali Free
Zone, Dubai, U.A.E.

Property, Plant and Equipment Schedule
Year Ended March 31, 2021
All figures in UAE Dirhams

| Particulars | Gross Block | | | | Depreciation | | | | | Net Value | |
|-------------------------|-------------------|------------------|-----------|-------------------|-------------------|------------------|----------|-------------------|--------|-------------------|-------------------|
| | Cost at | Additions | Disposals | Cost at | As at | Additions | Disposal | As at | SLM | As at | As at |
| | 31.3.2020 | | | 31.3.2021 | 31.3.2020 | | | 31.3.2021 | Rate | 31.3.2020 | 31.3.2021 |
| Factory Building - I | 11,137,350 | 191,509 | 0 | 11,328,859 | 5,101,829 | 438,631 | 0 | 5,540,460 | 3.33% | 6,035,521 | 5,788,399 |
| Factory Building - II | 10,757,584 | 1,434,070 | 0 | 12,191,654 | 3,965,657 | 383,056 | 0 | 4,348,713 | 3.33% | 6,791,927 | 7,842,941 |
| Residential Apartments | 1,943,860 | 0 | 0 | 1,943,860 | 292,440 | 32,436 | 0 | 324,876 | 1.67% | 1,651,420 | 1,618,984 |
| Plant and Machinery- I | 22,255,937 | 162,270 | 0 | 22,418,207 | 14,635,267 | 534,923 | 0 | 15,170,190 | 4.00% | 7,620,670 | 7,248,017 |
| Plant and Machinery -II | 20,702,182 | 0 | 0 | 20,702,182 | 15,355,880 | 402,005 | 0 | 15,757,885 | 4.00% | 5,346,302 | 4,944,297 |
| Factory Equipment | 809,154 | 218,565 | 0 | 1,027,719 | 358,582 | 62,693 | 0 | 421,275 | 6.67% | 450,572 | 606,444 |
| Vehicles | 2,262,545 | 22,000 | 0 | 2,284,545 | 825,881 | 281,442 | 0 | 1,107,323 | 12.50% | 1,436,664 | 1,177,222 |
| Furniture and Fixtures | 1,777,449 | 404,740 | 0 | 2,182,189 | 1,094,107 | 125,659 | 0 | 1,219,766 | 10.00% | 683,342 | 962,423 |
| Computers | 347,961 | 49,394 | 0 | 397,355 | 312,961 | 28,184 | 0 | 341,145 | 33.33% | 35,000 | 56,210 |
| Equipment (employees) | 9,445 | 0 | 0 | 9,445 | 9,445 | -1 | 0 | 9,444 | 20.00% | 0 | 1 |
| Air Conditioners | 164,079 | 10,750 | 0 | 174,829 | 124,842 | 12,342 | 0 | 137,184 | 20.00% | 39,237 | 37,645 |
| Office Equipment | 122,448 | -1 | 0 | 122,447 | 122,448 | -1 | 0 | 122,447 | 20.00% | 0 | 0 |
| Total | 72,289,994 | 2,493,297 | 0 | 74,783,291 | 42,199,339 | 2,301,369 | 0 | 44,500,708 | | 30,090,655 | 30,282,583 |

Notes :

- a Residential Apartments consist 5 residential apartments and are mortgaged against credit facilities. (IDBI Bank Overdraft repaid , Mortgage release under process)
- b Possessory Pledge of Plant and Machinery against credit facilities. (IDBI Bank Overdraft repaid, Pledge release on 20.4.2021)
- c Vehicles (cost) hypothecated against loans taken 635,833
- d Factory Buildings are constructed on leasehold land.
- e Vehicle costing AED 414,815/- is registered in the personal name of the Director.



EKC International FZE

P.O. Box 61041, Jebel Ali Free Zone, Dubai, U.A.E.

“Other Information”

Year Ended March 31, 2021

All figures in UAE Dirhams

| | YE 31.3.2021 | YE 31.3.2020 |
|---|-----------------|-----------------|
| 1 Significant Ratios | | |
| Profit on trading sales | 1,480,202 | 797,584 |
| Margin on trading sales | 30.79% | 29.99% |
| Net Profit / (Loss) from manufacturing sales excluding other income | 913,776 | 952,471 |
| Net Margin on manufacturing sales & Increase in stock | 1.72% | 1.45% |
| Raw materials consumed to mfg. sales & Increase in stock | 49.75% | 53.60% |
| Mfg. overheads to mfg. sales & Increase in stocks | 20.78% | 16.32% |
| Personnel costs to mfg. sales & Increase in stocks | 13.96% | 12.40% |
| Selling costs to mfg. sales & Increase in stocks | 4.63% | 5.64% |
| Admin costs to mfg. sales & Increase in stocks | 3.55% | 4.31% |
| Finance costs to mfg. sales & Increase in stocks | 3.64% | 5.61% |
| Depreciation to mfg. sales & Increase in stocks | 4.33% | 3.35% |
| Profit / (Loss) from operations on Sales (%) | 4.19% | 2.48% |
| Net Profit on sales (%) | -46.04% | -5.97% |
| Return on Average Investment (%) | -8.92% | -1.36% |
| Fixed assets turnover (times) | 1.73 | 2.25 |
| Current Ratio (Times) | 4.24 | 2.27 |
| Debt/ Equity Ratio (Times) | 0.09 | 0.16 |
| Inventory Turnover (Times) | 1.51 | 1.58 |
| Inventory Turnover (days) | 242 | 230 |
| Debtors turnover (days) | 63 | 59 |



| | YE 31.3.2021 | YE 31.3.2020 |
|--|-----------------|-----------------|
| 2 Bank credit facilities in UAE Dirhams | | |

Limits

| | | |
|--|------------|------------|
| Overdraft / Trust Receipts / LC / Performance Guarantees | 33,217,000 | 57,072,000 |
|--|------------|------------|

Utilization

| | | |
|------------------------|------------|------------|
| Overdraft | 13,189,083 | 40,236,613 |
| Letters of Credit | 5,948,678 | 5,130,212 |
| Performance Guarantees | 137,613 | 908,835 |
| Total | 19,275,374 | 46,275,660 |

Bankers (with credit facilities)

National Bank of Fujairah, Dubai, U.A.E.

Bank of Baroda, Dubai, U.A.E

IDBI Bank Limited (DIFC Branch), Dubai, U.A.E. in USD only (Facilities fully repaid as at year end)

3 Business Risks And Coverage in AED

Insurance: (Assigned to Banks)

| | Policy Value | Book Value |
|--|--------------|------------|
| Building I on Plot MO 313 | 8,500,000 | 5,788,399 |
| Building II on Plot S2 1004 | 6,500,000 | 7,842,941 |
| Plant and Machinery I on Plot MO 313 and Furniture etc | 15,000,000 | 8,910,739 |
| Plant and Machinery II on Plot S2 1004 | 5,000,000 | 4,944,297 |
| Property All Risks Coverage | 35,000,000 | 27,486,376 |

4 Accounting Software

The company uses Tally ERP software ; its Financial Accounts are integrated with Inventory (excluding Stores consumables) and Production.

