
Walker Chandiok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Everest Kanto Cylinder Limited** ('the Company') for the quarter ended **30 June 2021**, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

5. We draw attention to Note 5 to the accompanying Statement regarding delays in payment of foreign currency trade payables against the supply of goods and receipt in foreign currency trade receivables aggregating ₹ 5,322 lakhs and ₹ 265 lakhs, respectively, that are outstanding as at 30 June 2021 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16, respectively, as amended from time to time, 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 Statement. Accordingly, the accompanying Statement do not include any consequential adjustments with respect to such delays/defaults. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Bharat Shetty
Partner
Membership No:106815

UDIN:21106815AAAACT2473

Place: Mumbai
Date: 12 August 2021

EVEREST KANTO CYLINDER LIMITED

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

CIN: L29200MH1978PLC020434; Email: investors@ekc.in;

Tel Numbers: 022 3026 8300/01 Fax: 022 2287 0720; Website : www.everestkanto.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Audited) Refer note 3	(Unaudited)	(Audited)
I	Revenue from operations	24,524	23,225	12,617	75,063
II	Other income	256	46	53	215
III	Total Income (I + II)	24,780	23,271	12,670	75,278
IV	Expenses				
	(a) Cost of materials consumed	9,700	10,523	5,537	35,258
	(b) Purchases of stock-in-trade	1,403	1,564	1,195	5,640
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	892	(353)	(374)	(407)
	(d) Employee benefits expense	794	853	510	2,658
	(e) Finance costs	158	619	539	2,028
	(f) Depreciation and amortisation	472	484	463	1,903
	(g) Other expenses				
	- Power and fuel	1,030	1,027	587	3,290
	- Others	2,416	3,604	1,952	10,475
	Total Expenses	16,865	18,321	10,409	60,845
V	Profit before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	7,915	4,950	2,261	14,433
VI	Foreign exchange variation gain / (loss)	37	(54)	66	487
VII	Profit before exceptional items and tax (V + VI)	7,952	4,896	2,327	14,920
VIII	Exceptional items gain / (loss) (net) (Refer note 4)	-	(797)	-	950
IX	Profit before tax (VII + VIII)	7,952	4,099	2,327	15,870
X	Tax (expense) / credit				
	Current tax	(1,662)	(777)	(427)	(2,546)
	Deferred tax	(1,110)	(816)	(394)	(3,048)
XI	Profit after tax (IX + X)	5,180	2,506	1,506	10,276
XII	Other comprehensive income				
	Items that will not be reclassified to profit and loss (net of tax)	(5)	1	-	1
	Total other comprehensive income	(5)	1	-	1
XIII	Total comprehensive income (XI+XII)	5,175	2,507	1,506	10,277
XIV	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	2,244	2,244
XV	Other equity excluding revaluation reserve				34,715
XVI	Basic and diluted earnings per share (of ₹ 2 each) (not annualised, except for year end) (in ₹)	4.62	2.23	1.34	9.16

Notes:

- 1 The above statement (the 'Statement') was reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 August 2021. There are no qualifications in the review report issued for the quarter ended 30 June 2021.
- 2 The statement has been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2021 and the unaudited year to date figures up to nine months ended 31 December 2020, which were subjected to limited review by the statutory auditors.
- 4 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the year ended 31 March 2021 includes profit on sale of premises of ₹ 1,337 lakhs, which was held for sale as at 31 March 2020.
 - (b) Capital work-in-progress as at 31 March 2021 included certain plant and equipment which had remained idle for a considerable period of time. Accordingly, management had performed an impairment test on these assets and had recorded an impairment provision of ₹ 468 lakhs during the quarter and year ended 31 March 2021.
 - (c) Exceptional item for the year ended 31 March 2021 includes profit on sale of subsidiary of ₹ 81 lakhs (net of provision for contingencies of ₹ 329 lakhs during the quarter ended 31 March 2021). Refer note 7.
- 5 The outstanding balances as at 30 June 2021 include trade payables aggregating ₹ 5,322 lakhs and trade receivables aggregating ₹ 265 lakhs 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 and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16, 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 accompanying standalone financial results, and accordingly, the accompanying standalone financial results do not include any adjustments that may arise due to such delay/default.
- 6 In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the consolidated financial results of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial results.
- 7 During the year ended 31 March 2019, the Company along with EKC International FZE (UAE subsidiary) (collectively referred to as 'sellers') had entered into an equity transfer agreement for sale of its investments in EKC Industries (Tianjin) Co., Ltd ('EKC China') to a company in China ('the buyer'), for an aggregate consideration of RMB 93.50 Million. Pursuant to the terms of the equity transfer agreement, the sellers had transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Company had accounted for sale of investments in EKC China in accordance with the applicable Indian Accounting Standards. Post receipt of approvals from relevant authorities in China during the quarter ended 31 March 2021, the sellers had received RMB 85.39 Million as consideration and RMB 8.11 Million had been retained by the buyer for contingencies and/or open litigations of EKC China.
- 8 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24 March 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of Covid-19 cases. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these standalone financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, capital work-in-progress, trade receivables, capital advances, inventories and investments. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's standalone financial results, which may differ from impact considered as at the date of approval of these standalone financials results. The Company continues its business activities, in line with the guidelines issued by the Government authorities and take steps to strengthen its liquidity position. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

For and on behalf of the Board of Directors

**PUSHKAR
PREMKUMAR
KHURANA**

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Date: 2021.08.12
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**Pushkar Khurana
Chairman
DIN:- 00040489**

Place : Mumbai
Date : 12 August 2021

Walker Chandiok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of **Everest Kanto Cylinder Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended **30 June 2021**, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

5. We draw attention to Note 6 to the accompanying Statement regarding Holding Company's delays in payment of foreign currency trade payables against the supply of goods and receipt in foreign currency trade receivables aggregating ₹ 5,322 lakhs and ₹ 265 lakhs, respectively, that are outstanding as at 30 June 2021 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16, respectively, as amended from time to time, 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 Statement. Accordingly, the accompanying Statement do not include any consequential adjustments with respect to such delays/defaults. Our conclusion is not modified in respect of this matter.
6. We did not review the interim financial results of six subsidiaries included in the Statement, whose interim financial results (before eliminating inter company transactions) reflect total revenues of ₹ 9,427 lakhs, total net profit after tax of ₹ 1,087 lakhs and total comprehensive income of ₹ 1,229 lakhs, for the quarter ended 30 June 2021, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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

7. The Statement includes the interim financial information of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information (before eliminating inter company transactions) reflect total revenues of ₹ 99 lakhs, net loss after tax of ₹ 54 lakhs and total comprehensive loss of ₹ 54 lakhs for the quarter ended 30 June 2021, as considered in the Statement. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Bharat Shetty
Partner
Membership No:106815

UDIN:21106815AAAACU6736

Place: Mumbai
Date: 12 August 2021

Annexure 1

List of entities included in the Statement

Subsidiary companies

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

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EVEREST KANTO CYLINDER LIMITED

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

CIN: L29200MH1978PLC020434; Email: investors@ekc.in;

Tel Numbers: 022 3026 8300/01 Fax: 022 2287 0720; Website : www.everestkanto.com

A. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Audited) Refer note 3	(Unaudited)	(Audited)
	Continuing operations				
I	Revenue from operations	33,502	28,429	17,184	94,913
II	Other income	260	158	46	338
III	Total Income (I + II)	33,762	28,587	17,230	95,251
IV	Expenses				
	(a) Cost of materials consumed	13,171	13,227	7,872	45,097
	(b) Purchases of stock-in-trade	1,413	1,676	1,273	5,811
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,599	(79)	(922)	(1,620)
	(d) Employee benefits expense	2,358	2,387	1,966	8,691
	(e) Finance costs	249	740	756	2,616
	(f) Depreciation and amortisation	871	840	902	3,536
	(g) Other expenses				
	- Power and fuel	1,488	1,380	860	4,564
	- Others	4,638	5,744	3,004	16,001
	Total Expenses	25,787	25,915	15,711	84,696
V	Profit / (Loss) before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	7,975	2,672	1,519	10,555
VI	Foreign exchange variation gain / (loss)	41	382	(27)	907
VII	Profit / (Loss) before exceptional items and tax (V + VI)	8,016	3,054	1,492	11,462
VIII	Exceptional items gain / (loss) (net) (Refer note 4)	1,674	(1,023)	-	3,259
IX	Profit / (Loss) before tax from continuing operations (VII+VIII)	9,690	2,031	1,492	14,721
X	Tax (expense) / credit				
	Current tax	(1,662)	(777)	(427)	(2,512)
	Deferred tax	(1,105)	(810)	(413)	(3,052)
XI	Profit / (Loss) after tax from continuing operations (IX+X)	6,923	444	652	9,157
	Discontinued Operations (Refer note 9)				
XII	Profit / (Loss) from discontinued operations before tax	-	-	(39)	(163)
XIII	Tax expense of discontinued operations	-	-	-	-
XIV	Profit / (Loss) from discontinued operations after tax (XII+XIII) (Refer note 9)	-	-	(39)	(163)
XV	Profit / (Loss) after tax from total operations (XI+XIV)	6,923	444	613	8,994
XVI	Other comprehensive income / (loss)				
	(i) Items that will not be reclassified to profit and loss (net of tax)	142	259	180	620
	(ii) Items that will be reclassified to profit and loss (net of tax)	(291)	(205)	314	(515)
	Total other comprehensive income / (loss) (net of tax) (Refer note 8)	(149)	54	494	105
XVII	Total Comprehensive Income (XV+XVI)	6,774	498	1,107	9,099
XVIII	Net Profit / (Loss) for the period / year attributable to :				
	Equity shareholders of the Company	6,923	444	623	9,004
	Non controlling interests	-	-	(10)	(10)
	Total Comprehensive Income attributable to :				
	Equity shareholders of the Company	6,774	498	1,117	9,109
	Non controlling interests	-	-	(10)	(10)
XIX	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	2,244	2,244
XX	Other equity excluding revaluation reserve				60,582
XXI	Basic and diluted earnings per share (of ₹ 2 each) (not annualised, except for year end) (in ₹)				
	(i) Continuing operations	6.17	0.40	0.59	8.17
	(ii) Discontinuing operations	-	-	(0.03)	(0.15)
	(iii) Total operations	6.17	0.40	0.56	8.02

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

(₹ in lakhs)

Particulars	Quarter ended			Year ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	(Unaudited)	(Audited) Refer note 3	(Unaudited)	(Audited)
1. Segment revenue				
<u>Continuing operations</u>				
a) India	24,528	23,225	12,647	75,098
b) U.A.E (Dubai)	5,165	3,402	2,226	11,503
c) U.S.A and Hungary	4,160	1,986	2,377	8,898
d) Others	99	600	415	1,779
Total	33,952	29,213	17,665	97,278
Inter segment revenue	450	784	481	2,365
Revenue from continuing operations	33,502	28,429	17,184	94,913
<u>Discontinued operations (Refer note 9)</u>				
China	-	-	-	-
Revenue from discontinued operations	-	-	-	-
2. Segment results				
<u>Continuing operations</u>				
Segment Results (before foreign exchange variation gain / (loss), finance costs and tax):				
a) India	8,080	4,696	2,778	18,710
b) U.A.E (Dubai)	382	(10)	48	1,592
c) U.S.A and Hungary	1,401	(2,369)	(565)	(4,078)
d) Others	(53)	20	(28)	(4)
Total	9,810	2,337	2,233	16,220
Unallocable income / (expenses) (net)	61	26	23	90
Foreign exchange variation gain / (loss)	41	382	(27)	907
Finance costs	222	714	737	2,496
Profit before tax from continuing operations	9,690	2,031	1,492	14,721
<u>Discontinued operations (Refer note 9)</u>				
China	-	-	(39)	(163)
Profit / (Loss) from discontinued operations before tax	-	-	(39)	(163)
3. Segment assets				
<u>Continuing operations</u>				
a) India	59,102	60,452	49,269	60,452
b) U.A.E (Dubai)	19,451	17,996	16,452	17,996
c) U.S.A and Hungary	22,870	21,000	23,061	21,000
d) Others	583	717	1,037	717
Total	102,006	100,165	89,819	100,165
Unallocated assets	7,891	4,459	7,683	4,459
Total assets - continuing operations (I)	109,897	104,624	97,502	104,624
<u>Discontinued operations (Refer note 9)</u>				
China	-	-	6,961	-
Total segment assets - discontinued operations (II)	-	-	6,961	-
Total assets (I+II)	109,897	104,624	104,463	104,624
4. Segment liabilities				
a) India	13,298	9,906	9,851	9,906
b) U.A.E (Dubai)	4,397	3,606	2,860	3,606
c) U.S.A and Hungary	9,599	7,857	7,073	7,857
d) Others	73	96	183	96
Total	27,367	21,465	19,967	21,465
Add: Unallocated	12,930	20,333	29,290	20,333
Total liabilities - continuing operations (III)	40,297	41,798	49,257	41,798
<u>Discontinued operations (Refer note 9)</u>				
China	-	-	328	-
Total segment liabilities - discontinued operations (IV)	-	-	328	-
Total liabilities (III+IV)	40,297	41,798	49,585	41,798

Notes (A to B):

- 1 The above statements (the 'Statements') were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 August 2021. There are no qualifications in the review report issued for the quarter ended 30 June 2021.
- 2 These statements have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2021 and the unaudited year to date figures up to nine months ended 31 December 2020, which were subjected to limited review by the statutory auditors.
- 4 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the quarter ended 30 June 2021 represents government grant accrued in respect of forgivable loan obtained from a bank and guaranteed by the U.S. Small Business Administration ("SBA"), an agency of the Government of the United States of America, under the Paycheck Protection Program.
 - (b) Exceptional item for the year ended 31 March 2021 includes profit on sale of premises of ₹ 1,337 lakhs, which was held for sale as at 31 March 2020.
 - (c) Exceptional item for the year ended 31 March 2021 includes profit on sale of subsidiary of ₹ 2,390 lakhs (net of provision for contingencies of ₹ 555 lakhs during the quarter ended 31 March 2021). Refer note 9.
 - (d) Capital work-in-progress as at 31 March 2021 included certain plant and equipment which had remained idle for a considerable period of time. Accordingly, management had performed an impairment test on these assets and had recorded an impairment provision of ₹ 468 lakhs during the quarter and year ended 31 March 2021.
- 5 During the year ended 31 March 2019, the Holding Company had decided to wind up the business operations of EKC Industries (Thailand) Co., Ltd. The winding up would be completed post completion of requisite regulatory formalities in India and Thailand.
- 6 The outstanding balances (before eliminating inter-company balances) of the Holding Company as at 30 June 2021 include trade payables aggregating ₹ 5,322 lakhs and trade receivables aggregating ₹ 265 lakhs 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 and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16, respectively, as amended from time to time, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the accompanying consolidated financial results, and accordingly, the accompanying consolidated financial results do not include any adjustments that may arise due to such delay/default.
- 7 The Company, its subsidiaries and step down subsidiaries operate within a single business segment, except for Calcutta Compressions & Liquefaction Engineering Limited, which is in the business of purchase and distribution of natural gas, the operations of which are not material as compared to the overall business of the Group. Hence, the Group has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries and step down subsidiaries.
- 8 Profit / (Loss) from discontinued operations is completely attributable to equity shareholders of the Company. Further, Other comprehensive income do not include amounts pertaining to discontinued operations.
- 9 During the year ended 31 March 2019, the Group had entered into an equity transfer agreement for sale of its investments in EKC Industries (Tianjin) Co., Ltd ('EKC China') to a company in China ('the buyer'), for an aggregate consideration of RMB 93.50 Million. Accordingly, the results, assets and liabilities of China operations have been reported as discontinued operations in these consolidated financial results. Being a discontinued operation, the China operations have not been considered as separate reportable segment.

Pursuant to the terms of the equity transfer agreement, the Group had transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Group had derecognised the assets and liabilities of EKC China at their carrying value on the date when the control is transferred, recognised the fair value of the consideration receivable and recognised the resulting gain on transfer of control in accordance with the applicable Indian Accounting Standards. Post receipt of approvals from relevant authorities in China during the quarter ended 31 March 2021, the Group had received RMB 85.39 Million as consideration and RMB 8.11 Million had been retained by the buyer for contingencies and/or open litigations of EKC China.
- 10 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 consolidated financial results, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, capital work-in-progress, trade receivables, capital advances and inventories. 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 consolidated financial results, which may differ from impact considered as at the date of approval of these consolidated financials results. The Group continues its business activities, in line with the guidelines issued by the Government authorities and take steps to strengthen its liquidity position. 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, the Group is closely monitoring the situation as it evolves in the future.

For and on behalf of the Board of Directors

PUSHKAR
PREMKUMAR
KHURANA

Digitally signed by PUSHKAR
PREMKUMAR KHURANA
Date: 2021.08.12 16:00:44
+05'30'

Pushkar Khurana
Chairman
DIN:- 00040489

Place : Mumbai
Date : 12 August 2021