EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

STANDING STRONG
WITH THE COVID WARRIORS

ANNUAL REPORT

2021

P. K. KHURANA

Gratitude to our visionary founder, whose legacy we feel honoured to take forward and will continue to move forward on the path of principled commitment that he has shown us.

EKC FAMILY

BOARD OF DIRECTORS

Chairman, Executive Director
Mr. Pushkar Khurana

Managing Director
Mr. Puneet Khurana

Independent Directors
Mr. M. N. Sudhindra Rao
Mr. Ghanshyam Karkera
Dr. Vaijayanti Pandit
Mrs. Uma Acharya

CHIEF FINANCIAL OFFICER

Mr. Sanjiv Kapur

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Reena Shah (w.e.f. August 12, 2021)
Ms. Bhagyashree Kanekar (upto June 30, 2021)

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)
Mr. M. N. Sudhindra Rao (Member)
Mrs. Uma Acharya (Member)

Nomination & Remuneration Committee
Mr. M. N. Sudhindra Rao (Chairman)
Mrs. Uma Acharya (Member)
Mr. Ghanshyam Karkera (Member)
Mr. Pushkar Khurana (Member)

Stakeholders' Relationship Committee
Mrs. Uma Acharya (Chairperson)
Mr. Ghanshyam Karkera (Member)
Mr. Pushkar Khurana (Member)
Mr. Puneet Khurana (Member)

Corporate Social Responsibility Committee
Mrs. Uma Acharya (Chairperson)
Dr. Vaijayanti Pandit (Member w.e.f. August 25, 2020)
Mr. Pushkar Khurana (Member)
Mr. Puneet Khurana (Member)

Sexual Harassment of Women at Workplace Committee
Mrs. Uma Acharya (Chairperson)
Ms. Reena Shah (Member)
Ms. Shubhangi Shinde (Member)

REGISTERED OFFICE

204, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point,
Mumbai – 400 021.
Tel.: 91 22 4926 8300 - 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

CONTENTS	Page No.

NOTICE

Notice is hereby given that the Forty-Second Annual General Meeting of the Members of **Everest Kanto Cylinder Limited** will be held on Thursday, September 23, 2021 at 11:30 a.m. through Video Conference (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2021, which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2021, the Balance Sheet as at that date, the Auditor's Report and the Reports of the Board of Directors thereon.
2. To declare a final dividend of ₹ 0.30 per equity share (Face Value of ₹ 2/- each) for the financial year ended March 31, 2021.
3. 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:

4. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022**

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

   "**RESOLVED THAT** in accordance with 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 ₹ 2,50,000/- plus applicable tax and out-of-pocket expenses of M/s. Shekhar Joshi & Co., Cost Accountants [Membership No. 10700) appointed by the Board of Directors as the Cost Auditor of the Company for the financial year 2021 - 2022 fixed by the Board of Directors on the recommendation of the Audit Committee, be and is hereby ratified and confirmed."

By Order of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
August 12, 2021

Registered Office
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021.
CIN: L29200MH1978PLC020434
Tel.: 91 22 4926 8300 - 01. Fax: 91 22 2287 0720
Email: investors@ekc.in. Website: www.everestkanto.com

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be at the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Act in respect of the special business set out at Item No. 4 of this Notice is annexed as Annexure I. The relevant details as required under Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 ("SS-2"), in respect of Director seeking reappointment under Item Nos. 3 of Notice at this AGM is annexed as Annexure II.
3. The Company is providing facility of e-voting facility including remote e-voting facility 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.
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 16, 2021 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/OVAM 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. The dividend on equity shares as recommended by the Board of Directors at its meeting held on June 24, 2021, if declared, at the AGM shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on September 16, 2021. Members may please note for shares held in electronic form and / or physical form, complete the bank details as registered with the depository participants / Company as the same shall

be used for the payment of dividend. Members are hereby requested to register / update (in case of any change) complete bank account details with the depository participants for shares in dematerialized mode by submitting requisite documents.

20. SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders. Where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as non-negotiable instruments/ warrants with bank account details of such shareholders printed thereon.

    To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to share transfer agent Link Intime India Private Limited and to their respective depository participants.

21. Dividend as recommended by the Board of Directors, if declared at the AGM, shall be dispatched / remitted commencing from the day after the AGM i.e. September 23, 2021.

22. In case the Company is unable to pay the dividend to any shareholder through electronic mode due to non-availability of bank account details, the Company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.

23. Members are requested to note that dividend which has been declared but not paid and / or claimed within thirty days from declaration shall be transferred to "Unpaid Dividend Account" of the Company in seven days from expiry of said thirty days in accordance with section 124 of the Act. Further, dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF).

24. 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.

25. 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.

26. Members who hold shares physically and who have not registered / updated their email address with the Company are requested to register/update the same by sending an email with a copy of self-attested PAN, 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. and folio number. Members holding shares in dematerialized mode are requested to notify immediately in case of any change in their email addresses and other communication details to the depository participant to send you the quarterly reports and other communications via email.

27. 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.

28. 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.

29. 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 20, 2021.

30. 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.

31. 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.

32. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, September 17, 2021, to Thursday, September 23, 2021 (both days inclusive) for the purpose of the Annual General Meeting.

33. In compliance with the regulatory provisions, the Annual Report of the Company for Financial Year 2020 - 21 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:

34. 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).

35. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates.

    For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor@ekc.in or rnt.helpdesk@linkintime.co by 6:00 p.m. IST on September 10, 2021.

    Shareholders are requested to note that in case their PAN is not registered/wrong registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to rnt.helpdesk@linkintime.co.

    It may please be noted that Forms received after the said date and incomplete or incorrect forms shall not be considered and shall not be eligible for non-deduction or lower deduction of tax.

    By submission of Form 15G / 15H and Form 10F, along with the requisite supporting documents, the Shareholder is deemed to confirm to the Company that:

    a) the Shareholder satisfies the requisite criteria for submission of the same and takes full responsibility for availing the TDS deduction exemption;

    b) the Company or Link Intime will not be held responsible / liable and no claims shall lie against them in this regard;

    c) the online submission of the Form 15G/Form 15H (if made) shall be deemed to have been signed by the Shareholder.

    The forms for download are also available at Company's website at www.everestkanto.com.

36. Information and other instructions relating to e-voting are as under:

    I. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA Circulars and SEBI Circular the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

    II. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the Members.

    III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Thursday, September 16, 2021. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

    IV. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Thursday, September 16, 2021, only shall be entitled to avail the facility of e-voting.

    V. Members who are holding shares in physical form or who have not registered their email address with the Company / Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Thursday, September 16, 2021; such Member may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. Post successful registration of the email, the members would get a confirmation on their email id. In case of any queries, members may contact Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

It is further clarified that for permanent registration of Email address, Members are required to register their Email address in respect of Electronic holdings with their concerned Depository Participant(s) and in respect of Physical Holdings with the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited by sending an E-mail at rnt.helpdesk@linkintime.co or at Co's email id investors@ekc.in by following due procedure.

However, if a Member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.

VI. Mr. Aashish K. Bhatt, Practicing Company Secretary has been appointed by the Company as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VII. The Scrutinizer, after scrutinizing the votes, will, not later than forty eight hours from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, i.e. www.everestkanto.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

VIII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, September 23, 2021.

IX. Information and other instructions relating to e-voting are as under:

(i) The remote e-voting facility will be available during the following period:

Commencement of e-voting: From 9:00 a.m. (IST) on Monday, September 20, 2021. End of e-voting: Up to 5:00 p.m. (IST) on Wednesday, September 22, 2021. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.

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

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) 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. Members 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.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual 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).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) (ix)Click on the EVSN of the "EVEREST KANTO CYLINDER LIMITED".

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional facility for Non – Individual Shareholders and Custodians –Remote Voting**

- 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. The Members can join the Meeting through 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 Meeting through VC/OAVM will be made available to at least 1000 members on first come first served basis. However the participation of 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. are not restricted on first come first served basis.
5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
7. 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.
8. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at investors@ekc.in at

least 7 days before the Meeting. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

9. The Shareholders who have not registered themselves can put the question on the chat box available on the screen at the time of the Meeting.

10. 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.

11. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES & COMPANY/RTA :

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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 - 400013 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 12, 2021

Registered Office
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021.
CIN: L29200MH1978PLC020434
Tel.: 91 22 4926 8300 - 01. Fax: 91 22 2287 0720
Email: investors@ekc.in. Website: www.everestkanto.com

Annexure I to this Notice

Explanatory Statement in respect of the Special Business Pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 3

The Board of Directors of the Company at the meeting held on 13.02.2021 on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s Shekhar Joshi & Co., Cost Accountants [Membership No. 10700), as the Cost Auditors, to conduct audit of Cost Records maintained by the Company for the financial year 2021-22. In terms of Section 148 of the Companies Act, 2013 read with 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 or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested financially or otherwise, in the said resolution.

The Board recommends the resolution as set out in the Item No. 4 of accompanying notice for the approval of members of the Company as an Ordinary Resolution.

By Order of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
August 12, 2021

Annexure II to this Notice

Details of the Directors seeking re-appointment at the Annual General Meeting [Pursuant to Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2

Name of the Director	Mr. Pushkar Khurana
Director Identification Number	00040489
Brief resume	Mr. Pushkar Khurana oversees International Business operation 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 27 years. Mr. Pushkar Khurana is has a vast experience in the international and global markets and is one the reason behind of business expansion and diversification of EKC group globally.
Date of Birth	July 17, 1972
Age	49 years
Nationality	Indian
Date of first appointment on the Board	12.09.1994 and designated as Executive Chairman w.e.f. 14.11.2019
Qualifications	B.com, MBA in Business Management
Experience	27 years
Expertise in specific functional area	Expertise in International Business Expansion and Diversification
Terms and conditions of re-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 Brother of Mr. Puneet Khurana (Managing Director)
Number of meetings of the Board attended during the year	5
Number of shares held in the Company (as on March 31, 2021)	75,03,973 shares
Directorship held in other public companies (excluding foreign companies and Section 8 companies)	Calcutta Compressions & Liquefaction Engineering Limited
Chairmanships/ Memberships of committees of the other companies	Nil

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 42nd Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2021.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2021 is summarized below:

(₹ in Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Continuing Operations				
Revenue from operations	**75,062.71**	48,954.63	**94,912.99**	76,051.51
Other income	**215.24**	527.49	**338.42**	668.49
Total Income	**75,277.95**	49,482.12	**95,251.41**	76,720.00
Profit / (Loss) before exceptional items and tax	**14,919.85**	2,708.38	**11,462.60**	1,581.11
Profit before tax from continuing operations	**15,870.18**	2,595.90	**14,721.51**	1,700.05
Profit after tax from continuing operations	**10,276.02**	1,590.87	**9,157.02**	673. 49
Discontinued Operations				
Profit / (Loss) from discontinued operations before tax	**-**	-	**(162.55)**	(459.17)
Profit / (Loss) from discontinued operations after tax	**-**	-	**(162.55)**	(459.17)
Profit / (Loss) after tax from total operations	**10,276.02**	1,590.87	**8,994.47**	214.32
Total Comprehensive Income	**10,277.01**	1,604.59	**9,099.48**	2,156.13
Earnings per share (not annualised) (in ₹):				
Basic & diluted earnings per share				
(i) Continuing operations	**9.16**	1.42	**8.17**	0.67
(ii) Discontinuing operations	**-**	-	**(0.15)**	(0.41)
(iii) Total operations	**9.16**	1.42	**8.02**	0.26

PERFORMANCE REVIEW

The Company has delivered a strong operating and financial performance in FY21 on the back of several positive demand drivers that are likely to sustain over the next several years. During the year under review, the Company saw robust demand from: 1) leading gas infra companies that are laying out the aggressive expansion of CNG pumps across the country, 2) auto OEMs that are expanding production of CNG-fuelled vehicles within their offerings to customers, and 3) healthcare sector that scaled up medical oxygen availability in the fight against the pandemic product portfolios. While we closed the sale transaction for our subsidiary in China, we have made some progress in the operations of our subsidiaries in the UAE and the US, the benefits of which we expect will be more visible in FY22. We are also taking forward our plans to expand manufacturing capacity in the rapidly expanding domestic market and in Hungary to address the lucrative EU market. We will rely mainly on internal accruals for all our expansions, which will drive long-term value for stakeholders over the longer-term horizon. The Indian government is focused on increasing the contribution of gases as drivers of the country's economic activity and EKC, as the leading manufacturer of cylinders for high pressure storage of various gases, is well-positioned to benefit from such trends.

On standalone basis, for the financial year 2020-2021, revenue from operations stood at ₹ 75,062.71 Lakhs against the previous year's revenues of ₹ 48,954.63 Lakhs. Net Profit after tax stood at ₹ 10,276.02 Lakhs as against ₹ 1,590.87 Lakhs.

On consolidated basis, the Company sold 783,415 units as compared to 680,598 units in the previous financial year. Revenues for financial year 2020-2021 stood at ₹ 94,912.99 Lakhs against the previous year's revenues of ₹ 76,051.51 Lakhs. Your Company has focussed on quality product sales which have resulted in improvement of Net profit after tax from continuing operations from ₹ 673.49 Lakhs in financial year 2019-20 to ₹ 9,157.02 Lakhs in financial year 2020-2021.

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

Your directors are pleased to recommend for approval of members, a final dividend of ₹ 0.30/- per equity share of face value of ₹ 2/- each for the year ended March 31, 2021. The dividend will be paid in compliance with the applicable Rules and Regulations and criteria as set out in the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

As mandated under regulation 43A of SEBI Listing Regulations, the Board of Directors of the Company at its meeting held on June 24, 2021 adopted a Dividend Distribution Policy for the Company, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. The said Policy is placed on Company's website https://everestkanto.com/investors/policies/

TRANSFER TO RESERVES

During the year under review, the Company does not propose to transfer any amount to reserves.

DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013

The Company has neither accepted nor renewed 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

EKC International FZE, Wholly Owned Subsidiary of Everest Kanto Cylinder Limited ("the Company") in Dubai has entered into a Joint Venture Agreement with Rév Gas Industries Ltd, Hungary on June 09, 2021 to set up a state-of-the-art manufacturing plant in Hungary and to design, develop, test, manufacture, distribute, supply and sell Seamless high pressure Gas Cylinders (CNG & Industrial) and Cascades for bulk storage along with the assembly thereof for the European Markets.

The Parties agree that the following proportion of shareholding shall be maintained during the term of the JV Agreement i.e.: EKC International FZE (80%) and Rév Gas Industries Ltd (20%).

Subsequent to this transaction, EKC Europe Zrt will become subsidiary of EKC International FZE Dubai.

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.

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 2020-2021, 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

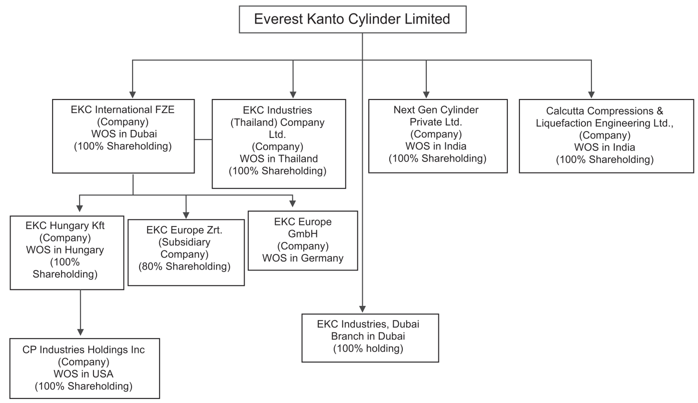
During the year, in respect of the borrowings of the Company, CARE Ratings has upgraded the Long Term and Short Term ratings, as under:

Sr. No.	Facility	Amount (₹ in Crore)	Rating	Remarks
1	Long Term bank facilities	103.57 (reduced from 128.67)	**CARE BBB-; Positive (Triple B Minus; Outlook: Positive)**	Revised from CARE BB+;Stable (Double B Plus; Outlook: Stable)
2	Short Term Bank Facilities	69.92 (Enhanced from 54.92)	**CARE A3 (A Three)**	Revised from CARE A4+ (A Four Plus)
	Total	**173.49**		

SUBSIDIARIES

As on March 31, 2021, 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) three step down wholly owned overseas subsidiary companies, viz. EKC Hungary Kft in Hungary, CP Industries Holdings, Inc. in USA andEKC Europe GmbH in Germany and one step down subsidiary i.e EKC Europe zrt. (c) Two wholly owned Indian subsidiary Companies viz., Calcutta Compressions & Liquefaction Engineering Ltd and Next Gen Cylinder Private Limited.

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)

In accordance with the provisions of Section 152 of the Companies Act, 2013 Mr. Pushkar Khurana, Director (DIN: 00040489) will retire by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The brief resume / details regarding the Directors proposed to be appointed / re-appointed as above are furnished in the Notice of 42nd Annual General Meeting.

During the year under review, the Shareholders of the Company appointed Mr. Puneet Khurana (DIN: 00004074) as Managing Director for a period of 5 years w.e.f. November 14, 2019 and Dr. Vaijayanti Pandit (DIN: 06742237) as Independent Director for a term of 5 consecutive years w.e.f. March 30, 2020 and re-appointed Mrs. Uma Acharya (DIN: 07165976) as Independent Director for second term of 5 consecutive years w.e.f. May 26, 2020.

In compliance with Section 203 of the Act, Ms. Reena Shah was appointed as Company Secretary & Compliance Officer and Whole Time Key Managerial Personnel of the Company w.e.f. August 12, 2021 in place of Ms. Bhagyashree Kanekar who had resigned at the close of business hours on June 30, 2021.

As on the date of this report, Mr. Puneet Khurana, Managing Director, Mr. Sanjiv Kapur, Chief Financial Officer and Ms. Reena Shah, Company Secretary & Compliance Officer of the Company are the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

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 including the proficiency and are the persons of high integrity and repute.

BOARD MEETING HELD DURING THE YEAR

During the year, five (5) meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between any two meetings of the Board was not more than one hundred and twenty (120) days as stipulated under the Act and SEBI Listing Regulations.

COMMITTEE OF THE BOARD

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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 of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Board of Directors has approved Nomination and Remuneration policy and available at the Company's website under the web link 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)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company's CSR Committee was reconstituted on August 25, 2020 upon appointment of Dr. Vaijayanti Pandit. The existing committee constitutes of Mrs. Uma Acharya (Chairperson), 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.

Your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR Report for the Financial Year 2020-21 are given as "**Annexure-I**" forming part of this Report.

VIGIL MECHANISM/WHISTLE BLOWER

The Company has formulated and established a robust Vigil Mechanism named Whistle Blower Policy in accordance with provisions of the Act and SEBI LODR to deal with instances of fraud and mismanagement and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and to report incidents of leak or suspected leak of unpublished price sensitive information. The employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns, if any, for review. No person has been denied access to the Chairperson of the Audit Committee. The details of the same have been stated in the Report on Corporate Governance.

The Whistle Blower Policy is available on the website of your Company at https://everestkanto.com/wp-content/uploads/2018/12/Vigil-Mechanism-Policy.pdf

TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by the Company during the financial year under review with related parties were on arm's 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 in that regard.

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

During the year 2020-2021, 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 materiality of Related Party Transactions and also on dealing with 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 March 24, 2021.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD - 1 (SS-1) AND SECRETARIAL STANDARD - 2 (SS-2)

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The company has complied with SS-1 and SS-2.

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, 2021, 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, 2021 and of the profit 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 AND AUDIT REPORT

a) Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 39th AGM held in the year 2018 to hold office from the conclusion of 39th AGM until the conclusion of 44th AGM to be held in the year 2023. There are no qualifications, adverse remarks reservations or disclaimer made by Walker Chandiok & Co LLP, Statutory

Auditors, in their report for the financial year ended March 31, 2021.

b) Branch Auditors

The Board of Directors of the Company at their Meeting held on February 13, 2021 re-appointed M/s. Arun Arora & Co., Chartered Accountants as Branch Auditors of the Company for financial year 2020-2021. 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 2020-2021, 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 2020-2021. The Cost Auditor submitted his Report to the Board for its review and examination, which will 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 2020-21 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 29, 2020. Mr. Vinayak B. Kulkarni, Cost Accountant have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, your Company carries out an audit of cost records. The Board of Directors, on recommendation of Audit Committee, has appointed, M/s Shekhar Joshi & Co., Cost Accountants (Membership No. M/10700) as Cost Auditors of the Company for the Financial Year 2021-22.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2021-22.

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 Auditor under section 204 of the Companies Act, 2013, for conducting Secretarial Audit for the financial year 2020-2021. The Report of the Secretarial Auditor forms part of this Report as "**Annexure II**".

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 are provided in Secretarial Auditor Report attached herewith.

Our Reply:

The Company is generally regular in meeting the statutory compliances. However, due to the sudden outbreak of COVID-19 pandemic and resulting nationwide lockdown, the Company has to start with work from home policy. In the initial period that created some lack of co-ordination and technological challenges, which resulted in delay in filing compliances.

However, the Company going forward shall ensure compliances being done in the prescribed timeline.

DETAILS OF FRAUD REPORTED BY AUDITORS

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

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 III**" to this Report.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual return once filed with Registrar of Companies/MCA shall be placed on the website of the Company and can be accessed at https://everestkanto.com/investors/annual-reports/

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of SEBI Listing Regulations, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalisation (calculated as on 31 March of every financial year) shall include a Business Responsibility Report (BRR) describing the initiatives taken by them from an environment, social and governance perspective.

As stipulated under the SEBI LODR, the Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective is annexed as "**Annexure IV**" and forms an integral part of this Report and is also uploaded Company's website and can be accessed at https://everestkanto.com/investors/annual-reports/

ENVIRONMENT AND SAFETY

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company endeavors that the conduct of all operations are in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

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 with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended forms part of this Report.

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 2020-2021**

Name of the Directors	Designation	Remuneration of Directors (₹)	Median Remuneration of Employees (₹)	Ratio of median remuneration
Mr. Pushkar Khurana	Executive Chairman	Nil	2,29,205	Nil
Mr. Puneet Khurana	Managing Director	2,13,72,886	2,29,205	93.25
Mr. Sudhindra Rao*	Independent Director	8,00,000	2,29,205	3.49
Ms. Uma Acharya*	Independent Director	8,45,000	2,29,205	3.69
Mr. Ghanshyam Karkera*	Independent Director	8,15,000	2,29,205	3.56
Dr. Vaijayanti Pandit*	Independent Director	6,80,000	2,29,205	2.97

* 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.

b) **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2020-2021:**

Name of the Directors	Designation	% increase in remuneration in financial year
Mr. Pushkar Khurana	Executive - Chairman	NA
Mr. Puneet Khurana	Managing Director	Nil
Mr. M. N. Sudhindra Rao	Independent Director	Nil
Mr. Ghanshyam Karkera	Independent Director	Nil
Dr. Vaijayanti Pandit	Independent Director	Nil
Mrs. Uma Acharya	Independent Director	Nil
Mr. Sanjiv Kapur	Chief Financial Officer	Nil
Ms. Bhagyashree Kanekar	Company Secretary	10.00%

c) Percentage increase in the median remuneration of employees in the financial year 2020-2021: 15.64%.

d) Number of permanent employees on the rolls of Company: 607.

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 2020-21 is 9.28% whereas there is no change in percentile in the managerial remuneration during the year.

f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

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

g) **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:**

(i) 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 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.

(ii) 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.

(iii) 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.

h) **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 - NA

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	Desig-nation of the employee	Remune-ration received (₹)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commen-cement 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	Managing Director	2,13,72,886	Full Time	B.com, MBA, Intenational Business	14.11.2019	47	N.A.	7.31%	Mr. Pushkar Khurana

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 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. Pushkar Khurana
Chairman & Executive Director
DIN: 00040489

Place: Mumbai

Date: August 12, 2021.

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,

204, Raheja Centre, Free Press Journal Marg,

214, Nariman Point, Mumbai - 400021.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Kanto Cylinder Limited having CIN L29200MH1978PLC020434 and having registered office at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai – 400021 (hereinafter referred to as 'the Company'), 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, 2021 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	00004074	12.09.1994
2.	Mr. Puneet Khurana	00040489	14.11.2019
3.	Mr. M. N. Sudhindra Rao	01820347	03.06.2019
4.	Mrs. Uma Acharya	07165976	26.05.2015
5.	Mr. Ghanshyam Karkera	00001829	30.10.2018
6.	Dr. Vaijayanti 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
UDIN: A019639C000772138

Place: Mumbai
Date: August 12, 2021

ANNEXURE I: ANNUAL CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021.

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.

Annual Report on CSR Activities

1	**A brief outline of the Company's CSR policy; including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs.**	In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee. The Composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at the link https:// everestkanto.com/ investors/policies/. 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. The Company has spent ₹ 60.68 Lakhs towards CSR activities for the FY 2020-21.
2	**The Composition of the CSR Committee**	

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Uma Acharya	Chairperson - Independent & Non-Executive	2	2
2	Mr. Puneet Khurana	Member - Promoter, Executive	2	2
3	Mr. Pushkar Khurana	Member - Promoter, Executive	2	2
4	Dr. Vaijayanti Ajit Pandit	Member - Independent & Non-Executive	2	2

3	**Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**	https://everestkanto.com/investors/csr/
4	**Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**	NA
5	**Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**	

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
1	2020-21	NA	0.00
	Total		**0.00**

6	**Average net profit of the company as per section 135(5). (for Immediately preceding three financial years)**	₹ 2979.58 Lakhs
7	**(a) Two percent of average net profit of the company as per section 135(5)**	₹ 59.59 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0
	(c) Amount required to be set off for the financial year, if any	0
	(d) Total CSR obligation for the financial year (7a+7b-7c).	₹ 59.59 Lakhs
8	**(a) CSR amount spent or unspent for the financial year:**	
	Total amount spent for the Financial Year (In ₹)	Amount spent in ₹ 60.68 Lakhs
8	**(b) Details of CSR amount spent against ongoing projects for the financial year:**	

		Total Amount transferred to Unspent CSR Account as per section 135(6)	**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)**			
		Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
		NA				

(₹ in Lakhs)

Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes /No)**	**Location of the project**		**Project duration**	**Amount allocated for the project (in ₹)**	**Amount spent in the current financial Year (in ₹)**	**Amount transferred to Unspent CSR Account or the project as per Section 135(6) (in ₹)**	**Mode of Implementation Direct (Yes /No)**	**Mode of Implementation Through Implementing Agency**	
				State	District						Name	CSR Registration
NA												

8(c) Details of CSR amount spent against other than ongoing projects for the financial year

(₹ In Lakhs)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)		Location of the project	Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
			State	District				Name	CSR registration number
1	Healthcare/ Medical	Promoting health care including preventive health care {Schedule VII (i)}	Yes		All over India	44.14	No	Dhawale Trust	-
2	Medical	Promoting health care including preventive health care {Schedule VII (i)}	Yes		All over India	0.71	No	Nirdhar Seva Sanstha	-
3	Medical	Promoting health care including preventive health care {Schedule VII (i)}	Yes		All over India	4.00	No	Khurana Charitable Trust	-
4	Sports	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports {Schedule VII (vii)}	Yes		All over India	6.18	No	Oscar Football Club	-
5	Education	Promotion of education {Schedule VII (i)}	Yes		All over India	1.50	No	Atulya Trust	-
6						1.50	No	Bhor Education Society	-
7						2.60	No	Janakalyan Sevashram	-
8						0.05	No	Tarapur Indusrial Manufacturers Association	-
		Total				**60.68**			

* Including GST.

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 60.68 Lakhs

(g) Excess amount for set off, if any – ₹ 1.09 Lakhs

Sl. No.	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	₹ 59.59 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 60.68 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1.09 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1.09 Lakhs

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)
Not applicable					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project Id.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not applicable								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –** Not applicable.

    (asset-wise details)

    (a) Date of acquisition of the capital asset(s): N.A.

    (b) Amount of CSR spent for creation or acquisition of capital assets: N.A.

    (c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: N.A.

    (d) Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): N.A.

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)** – Not applicable.

For and on behalf of the Board

Uma Acharya
Chairperson of CSR Committee

Puneet Khurana
Managing Director

Mumbai
August 12, 2021

ANNEXURE II: FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2021

[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, 2021 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, 2021, 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;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - 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, 2021 - 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) Regulations, 2015 ("SEBI (LODR) Regulations, 2015).

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

- SEBI (Prohibition of Insider Trading) Regulations, 2015 w.r.t. trading of equity shares by designated persons during the period of closure of trading window;

- SEBI (LODR) Regulations, 2015 w.r.t delay in submission of disclosures of Related Party Transactions on a consolidated basis for half year ended March 31, 2020; Delay in submission of Outcome of Board meetings during the period under review and disclosure w.r.t. investment and disinvestment under regulation 30 to Stock Exchange(s); The Company has not furnished a separate declaration of unmodified opinion while publishing the annual Audited Financial Results for the year ended 31.03.2020 although the Outcome of the Board Meeting dated July 10, 2020 specifies that the Auditors Opinion is unmodified; Intimation under regulation 29 of SEBI Listing Regulation for board meeting to be held on 10.07.2020 was not published in English or regional language daily newspaper and there was a delay in newspaper publication of Annual General Meeting Notice given to shareholders.

The Companies Act, 2013 w.r.t. non filing of E-Forms with Registrar of Companies which requires condonation; delay in newspaper publication of Annual General Meeting Notice given to shareholders and for intimation to members for transfer of Unclaimed amount and transfer of Equity Shares of the Company to Investor Education and Protection Fund; Board Report has been signed by Managing Director only instead of Chairman.

On account of pandemic "COVID 2019" and nationwide lockdown imposed by governments, the audit process has been modified, wherein 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, Non-Executive 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 event / action 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 Corporate Social Responsibility Committee;
2. Increase in the manufacturing capacity of the Company by setting up of a new Plant in Gandhidham, Gujarat;
3. Increase in payment of sitting fees to Directors;
4. Approval of consideration of proposal of making additional equity investments in Calcutta Compression & Liquefications Engineering Ltd (CCLEL), thereby making it wholly owned subsidiary Company;
5. Approval of consideration proposal of making disinvestment in EKC Positron Gas Ltd (EKCPGL), thereby leading to cessation as Subsidiary of the Company;
6. Pursuant to Equity Transfer Agreement dated April 15, 2018 and disclosure as on such date to stock exchange(s) pertaining to Transfer of entire equity holding of the Company in its Subsidiary, EKC Industries (Tianjin) Co. Ltd., China to You Yuan Office Union (Tianjin) Co. Ltd., China, the Company has transferred its entire equity holding and control to You Yuan Office Union (Tianjin) Co. Ltd. as on December 31, 2020. Accordingly, EKC Industries (Tianjin) Co. Ltd. has ceased to be the Subsidiary of the Company with effect from December 31, 2020.

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

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023
UDIN: A019639C000772193

Place: Mumbai
Date: August 12, 2021

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: A019639C000772193

Place: Mumbai
Date: August 12, 2021

ANNEXURE III: 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:

a. 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.

b. The Company is using Natural Gas in place of LPG at Tarapur Plant leading to following benefits:

   i. Use of VF drive and programmable logic controls for paint booth suction blower for cyclic speed swings, thereby reducing power consumption per cylinder.

   ii. Use of High Density Poly Ethylene and FRP (Fibre Glass Reinforced Plastic) pipe lines to reduce the pressure losses consequently leading to lower energy requirement.

   iii. Overcoming of problems related to liquid vaporization and fire hazards.

   iv. Optimum utilization of Storage space as space required for Natural Gas is less as compared to LPG yard as per CCOE Norms.

c. The Company is using thermal energy by use of alternate fuels, improvements in fuel burners, minimizing heat losses by improved insulation, etc.

d. The Company is using closed loop liquid to Air Heat Exchangers instead of cooling towers for heat dissipation.

e. To lower energy, the company is using High Density Poly Ethylene and FRP (Fibre Glass Reinforced Plastic) pipe lines.

f. The Company uses the waste energy in terms of air pressure being released at the end of Pneumatic Leak Testing, to fill the cylinders under test with this Hydraulic Booster compressor.

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 Install-ation	No. of Wind-mills insta-lled	Energy Genera-tion Capa-city	Invest-ment (₹ in Lakhs)	Energy Generated during the year	Energy Genera-ted during previous year
Kandla, Gujarat	1	1.650 MW	1,125.00	1,650,939.00 units	2,270,441.00 units
Satara, Mahara-shtra	3	3 x 0.225 MW = 0.675MW	349.14	416,055.31 units	495,165.98 units

a. 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.

b. 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)	231.01	172.78
Total Amount (₹ in Lakhs)	1804.88	1277.19
Rate per Unit (₹)	7.81	7.39
b) Oxygen purchased		
Units (Cu.M. in Lakhs)	8.14	7.62
Total Amount (₹ in Lakhs)	116.28	106.27
Rate per Cu.M. (₹)	14.29	13.94
c) Natural Gas		
Units (Cu.M. in Lakhs)	14.35	Nil
Total Amount (₹ in Lakhs)	489.07	Nil
Rate per Cu.M. (₹)	34.08	Nil
d) LPG purchased		
Units (Kg. in Lakhs)	24.23	26.54
Total Amount (₹ in Lakhs)	818.99	978.83
Rate per Kg. (₹)	33.79	36.89
B) Consumption per unit of production:		
i. Electricity (kwh / MT)	623.71	633.19
ii. Oxygen (Cu.M / MT)	21.96	27.04
iii. Natural Gas (Ltr. / MT)	38.74	Nil
iv. LPG (Kg. / MT)	65.43	97.25

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

Benefits derived as a result of the above efforts e.g. product Improvement, cost reduction, product development, imports substitution, etc. and

In case imported technology (imported during last five years reckoned from the beginning of the financial year).

a. 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.

b. Use of latest PLC version with modified logic on Internal Shot Blasting Machine has helped us to reduce cycle time and increase the productivity.

c. Company is using Open Type Bus Bars of EOT Crane with Safe Duct Closed Type Bus Bars to improvise on safety requirements.

d. The Company is using pressure transmitter on air leakage test and cyclic testing machine, to eliminate the risk of increasing pressure in the system.

e. Special Purpose pipe cutting machine has been developed, having capacity of cutting two pipes at a time. This has resulted in increased productivity.

f. 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 Company have come forward to manufacture these components in India and we are in process of 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.

a. Cylinder models are developed to meet varying needs of different overseas standards which are much stringent than the standards which we operated till now.

b. Company has developed various Tube Trailers for storage and transportation of Bio-Methane gas and developed Ultra Large Cylinder for Hydrogen, working at 300 bar. for a crucial project of Indian Space Research Organization (ISRO).

d. Company has also designed Very Large Capacity storage complex for gases to be stored at very high pressures which was not done in the countrytill recent times.

IV. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
I. Foreign Exchange used	19,056.03	18,716.80
II. Foreign Exchange earned	8,677.74	2,353.97

ANNEXURE IV: BUSINESS RESPONSIBILITY REPORT

Introduction:

The Company is pleased to present its 1st Business Responsibility Report for the Financial Year ended March 31, 2021 in conformity to the requirements of the clause (f) of sub-regulation (2) of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for FY 2020-21 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG-SEE) notified by the Ministry of Corporate Affairs, Government of India.

In pursuance of the Company's commitment to responsible business, the Company has aligned its policies and guidelines with the principles articulated under NVG-SEE notified by the Ministry of Corporate Affairs, Government of India. The Business Responsibility Report is available at the website of the Company at www.everestkanto.com

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29200MH1978PLC020434
2.	Name of the Company	Everest Kanto Cylinder Limited
3.	Registered address	204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai MH 400 021 In
4.	Website	www.everestkanto.com
5.	E-mail id	investors@ekc.in
6.	Financial Year reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code- wise) as per the National Industrial Classification codes of 2008	025
8.	List three key products/services that the Company manufactures / provides (as in balance sheet)	Manufacturer of seamless steel Cylinders
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (provide details of major 5) ii. Number of National Locations	 Middle East, South America, Eastern and Western Europe. The Company has 1 branch in Dubai, apart from Head Office/ Registered Office in Maharashtra (Mumbai)
10.	Markets served by the Company – Local / State / National / International	Local / State / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (as on March 31, 2021)	₹ 2,244.15 Lakhs
2.	Total Turnover (for financial year ended March 31, 2021)	₹ 75,277.95 Lakhs
3.	Total Profit after taxes (for financial year ended March 31, 2021)	₹ 10,276.02 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company has spent ₹ 60.68 Lakhs (excess of ₹ 1.09 Lakhs) towards its 2% CSR obligation for the FY 2020-21)
5.	List of activities in which expenditure in 4 above has been incurred	Education, Medical, Health and Sports

SECTION C: OTHER DETAILS

1. **Subsidiary company / companies**
   As on March 31, 2021, the Company has only 5 (five) Subsidiary company.
2. **Participation of subsidiary company / companies in the BR Initiatives of the parent company.**
   Business Responsibility initiatives of the parent company is not applicable to the subsidiary company.
3. **Participation and percentage of participation of other entity / entities (e.g. suppliers and distributors, among others) that the Company does business with, in the BR initiatives of the Company**
   The other entity / entities with whom Company does business is in sync with the BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director / BR Head responsible for BR

DIN	00040489
Name & Designation	Pushkar Khurana, Chairman
Telephone number	+91 022-4926 8300 - 01
Email ID	Pushkar@ekcuae.com
DIN	00004074
Name & Designation	Puneet Khurana, Managing Director
Telephone number	+91 022-4926 8300 - 01
Email ID	Puneet@everestkanto.com

2. Principle-wise (as per NVGs) BR Policy / Policies

Principles as per the SEBI Business Responsibility Report Framework

Reference	Principles	Description
P1	Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Principle 3	Businesses should promote the wellbeing of all employees.
P4	Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Principle 5	Businesses should respect and promote human rights.
P6	Principle 6	Business should respect, protect, and make efforts to restore the environment.
P7	Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Principle 8	Businesses should support inclusive growth and equitable development.
P9	Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for each of the principles.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any National / international standards? If yes, specify? (50 words) (These policies have been framed keeping in view of the goals of the organisation and the economic environment of the operations of the Company.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(a) **Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	Indicate the link for the policy to be viewed online?	https://everestkanto.com/investors/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies have been evaluated internally.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. **Governance related to BR**

   a. **Frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the Company's BR performance**

      The Board of Directors assesses the Company's BR performance annually.

   b. **BR and Sustainability Reports published; frequency and link of published reports**

      This is Company's first BR Report published in accordance to Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the BR report will be published annually and shall be uploaded on our website (www.everestkanto.com) as a part of the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption apply only the Company**

   Everest Kanto Cylinder Limited is committed to achieve highest standards of integrity and ethics. The Company follows high ethical standards in its dealings with all its stakeholders, including members (employees), customers, suppliers, government and the community. The Company follows a "Code of Conduct" with the underlying belief of conducting business in an ethical manner. This facilitates a work ecosystem that is conducive to the Company's members and associates. The Code sets out principle guidelines to be followed by all members (employees) and associates (distributors, consultants, vendors, suppliers, third party manufacturers etc.) of Everest Kanto.

2. **Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/ Others**

   The Code applies to Vendors and Contractors.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   Everest Kanto has established structured mechanisms to address concerns of stakeholders and communicate their expectations which are dealt by the Audit Committee. During the reporting period, we have not received any complaints/ grievances from our stakeholders regarding unethical business practices.

PRINCIPLE 2 – SAFE AND SUSTAINABLE GOODS AND SERVICES

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) Manufacturers of High Pressure Seamless Gas Cylinders

2. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   The sustainability agenda is extended to the suppliers/ vendors through the Code of Conduct. The code of conduct ensures conformity with the safe working conditions along with prohibition of child labour, forced labour and abiding human rights principles in the supply chain operations. The compliance with the code of conduct is mandatory for conducting business operations with Everest Kanto.

3. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendor**

   The Company encourages local procurement of goods and services around its plants' proximity and region. Several community development and training initiatives are regularly conducted by the individual plant's HR team in order to educate the local vendors, improve their capability enhance their skills and raise their scope for employment and their standard of living.

4. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company manufacture products which are manufactured from Steel pipes and thus the scrap generated from such products are used by foundries to manufacture billets and other applications, which will be used in environment friendly way.

PRINCIPLE 3 – WELL-BEING OF EMPLOYEES

1. **Please indicate the Total number of employees.** – The total number of employees are 941 as on March 31, 2021 (including contract employee)
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis. -** The total number of employees hired on contractual basis are 334 as on March 31, 2021
3. **Please indicate the Number of permanent women employees. -** The total number of women employees are 13 as on March 31, 2021
4. **Please indicate the Number of permanent employees with disabilities –** 2
5. **Do you have an employee association that is recognized by management? –** Yes
6. **What percentage of your permanent employees is members of this recognized employee association? –** 14.67%
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. –** Nil

The Company is committed to the labour rights principles, including eradication of child or forced labour and harassment or intimidation in the workplace. During this financial year, there were no complaints relating to child labour, forced labour, involuntary labour and discriminatory employment.

The Company has formulated and implemented Anti Sexual Harassment Policy in accordance with Section 21 and 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to protect the interest of employees at the workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received for sexual harassment for the FY 2020-21.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**
   (a) Permanent Employees – 47.94%
   (b) Permanent Women Employees – Nil%
   (c) Casual/Temporary/Contractual Employees – 34.73%
   (d) Employees with Disabilities – Nil%

PRINCIPLE 4 – RESPONSIVENESS TO ALL STAKEHOLDERS

1. **Has the company mapped its internal and external stakeholders?**

   The Company has mapped its key internal and external stakeholders in a structured way which include employees, investors, distributors, vendors, partners, customers, government and local communities.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The Company is dedicated for the welfare of marginalized and vulnerable sections of the society. The Company engages with its stakeholders on an on-going basis.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has always strived to contribute to different sections of the society. Beyond business, the objective of Company is conceptualized to create inclusive growth for the disadvantaged, vulnerable and marginalized stakeholders.

PRINCIPLE 5 – PROMOTING HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   Policy is applicable to all members and associates of Everest Kanto.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company did not receive any complaints with regard to human rights violation in the FY2020-21

PRINCIPLE 6 – PROTECTING THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others. -** At present it is related to company/group company/supplier and contractor.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? –** the Company has grown adequate number of trees at Co's manufacturing plants.
3. **Does the company identify and assess potential environmental risks? -** Yes
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? –** No
5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. –** The Company's product supports clean energy for the environment. Also, the Company has many windmills which generates alternate energy source.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? –** Yes
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year –** Nil

PRINCIPLE 7 – RESPONSIBLE ADVOCACY POLICY

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   (a) AIIGMA (All India industrial Gases Manufactures Association)
   (b) TIMA (Tarapur Industrial Manufactures Association)
   (c) FOKIA (Federation of Kutch Industries Associations)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) –** Not yet.

PRINCIPLE 8 – SUPPORTING INCLUSIVE DEVELOPMENTS

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. –** Yes, the Company has formulated Corporate Social Responsibility Policy. Pursuant to said policy the Company contribute towards Social, education, health, sports activities.
2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? –** In house and External NGO
3. **Have you done any impact assessment of your initiative? –** Detailed assessment done by NGO
4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken -** During Financial year 2020-21, the Company has contributed ₹ 60.68 Lakhs towards CSR initiative viz, Education, Medical, Health and Sports.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.-** Detailed assessment done by NGO.

PRINCIPLE 9 – PROVIDING VALUE TO CUSTOMER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year. -** No major legal case pending with customer, with respect to our product.
2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information) -** Yes
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. -** No
4. **Did your company carry out any consumer survey/ consumer satisfaction trends -** No

MANAGEMENT DISCUSSION AND 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

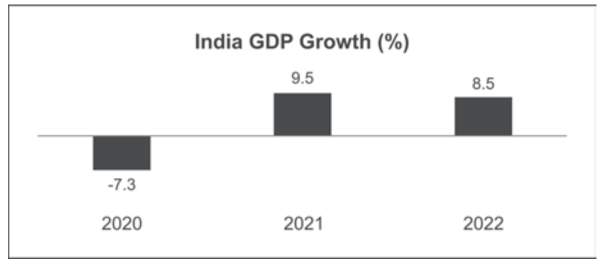
In the year 2020, the global economy faced an unprecedented situation owing to the outbreak of the COVID-19 pandemic. Economic activity across every region and country was severely affected, particularly in the first half of the year as lockdown restrictions caused loss of livelihoods, weakness in consumption, disruption in cross-border trade and supply-chain issues. However, in the second half of the year, global economic activities started reviving as restrictions were eased. Resumption in normalized economic and business activities was driven by worldwide vaccination drives that created widespread immunity and uplifted sentiment across markets. The net result of these factors is that after contracting 3.5% in 2020, the global economy is projected to deliver broad-based growth of 5.6% in 2021 and 4.3% in 2022.

	2019	2020	2021	2022
World	2.5%	-3.5%	5.6%	4.3%
Advanced Economies	1.6%	-4.7%	5.4%	4.0%
Emerging market and developing economies	3.8%	-1.7%	6.0%	4.7%

Source: *World Bank Group – Global Economic Prospect June 21*

Indian Economy

Over the last few years, India has been one of the world's fastest growing major economies. However, there already were signs of deceleration even before the virus spread as some path-breaking reforms/transitions were instituted by the government. The outbreak of the COVID-19 pandemic considerably impacted economic growth, supply chains, manufacturing and industrial activities across the country. IMF data stated that the Indian economy had contract by 7.3% in 2020. Notwithstanding the unprecedented environment, as lockdown restrictions eased across domestic markets in the second half of 2020, there were initial indications of revival in the domestic economy, which further strengthened over the course of the year. Several indicators recorded faster-than-anticipated improvement across various sectors. With expanding vaccination coverage across the country, along with improving pace of business activities, growth momentum of the Indian economy is expected to gradually recover. The forecast by IMF suggests India would once again be the fastest growing major economy in the world, with the country expected to grow at 9.5% in 2021.



Source: *IMF – July 2021*

INDUSTRY SCENARIO

Domestic Demand

The Oil & Gas sector is an important constituent of India's core industrial sector with several industries being reliant on the availability and cost of various fuel alternatives. India is the world's third-largest energy consumption country after the U.S. and China and according to BP Energy Outlook 2020, the country's share in global energy consumption is expected to increase from 6% in 2018 to 12% in 2050. The country's per capita energy consumption is slated to double in this period. Along with this, the contribution of coal-based energy is expected to decline with more reliance on green generation sources, leading to reduced emissions on an overall basis. Underlying this trend will be a convergence in the contribution of natural gas in the energy mix for China and India, such that by 2050 gas could account for 15-25% of energy across every major global economy. India is primarily reliant on imports for its oil and gas requirements to the extent of ~80% and ~50% respectively. The country's combined oil and gas imports are expected to more than double by 2050, driven partly by the increased shift from coal to gas.

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 economic and environmental considerations. If this target is achieved, the share of natural gas in the country's energy basket will increase from ~6% at present to 15% by replacing coal and liquid fuels. This target is also aligned with the government's vision for gas consumption by 2030. The country has committed investments of $ 60 billion to expand gas infrastructure that includes LNG import terminals, laying of pipelines and expanding city gas distribution networks across the country.

Gas fuels production in heavy industries such as fertilizers, power, refineries and petrochemicals apart from its 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.

CNG Usage Trends

Following the successful 9th and 10th rounds of city gas distribution (CGD) auctions conducted by the Petroleum and Natural Gas Regulatory Board (PNGRB) in 2018, there is a committed and time-bound expansion of infrastructure to be executed over 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 to ~3,000 as on 31st March 2021. While there has been a steady increase in the number of CNG-fuelled vehicles operating on Indian roads on an overall basis, availability of CNG on a more widespread basis is currently confined only to a few states – namely, Maharashtra, Gujarat, Delhi NCR and now Uttar Pradesh.

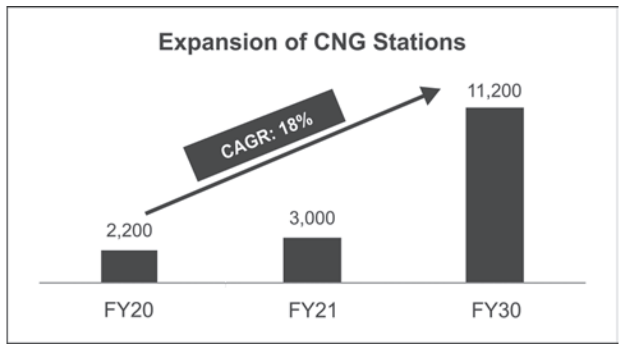
Contribution from gas usage is likely to expand as pipeline connectivity in the 136 new GA's, allocated under 9th and 10th CGD bidding, has now already completed nearly three years. Volume growth from CGD expansion is expected to be maintained over several years leading to higher demand for various applications from across the country. Gas, being significantly cheaper than liquid fuels, makes it more attractive as an option for a variety of usage areas, boosting adoption as well as conversion from other fuels. PNGRB has also approved 42 additional GA's under 11th CGD round and further details are expected to be available in the near future.

In order to promote consumption of CNG over liquid fuels, the government has given maximum allocation of low-cost domestic gas to CGD companies. This has helped these companies get access to low cost gas. Retail pricing for CNG is market-driven without any regulatory control. While it may be expected that domestic gas prices will increase from current levels, the widening gap between liquid fuels and CNG is likely to ensure continued demand from domestic CNG consumers even at higher CNG prices.

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.

Also, automobile OEM's have scaled down manufacturing of diesel vehicles based on rising costs associated with compliance to BS VI emission standards as also the rising prices of diesel for consumers. Already, the share of diesel vehicles has already reduced from 58% in 2012-13 to ~15 in 2020-21. Simultaneously, CNG car sales were at an all-time high in 2020-21, registering 49% YoY growth to exceed 170,000 units. The market share of CNG-fuelled cars sold in the Indian market increased from 4% in 2019-20 to 6% in 2020-21. Going forward, 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 environment is another driver of CNG usage. Several initiatives are underway to create green transportation frameworks over the last few years with many Indian cities exceeding widely accepted benchmarks of air pollution. One of these is the vehicle scrappage policy, based on which older, polluting vehicles are to 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: *Petroleum and Natural Gas Regulatory Board (PNGRB)*

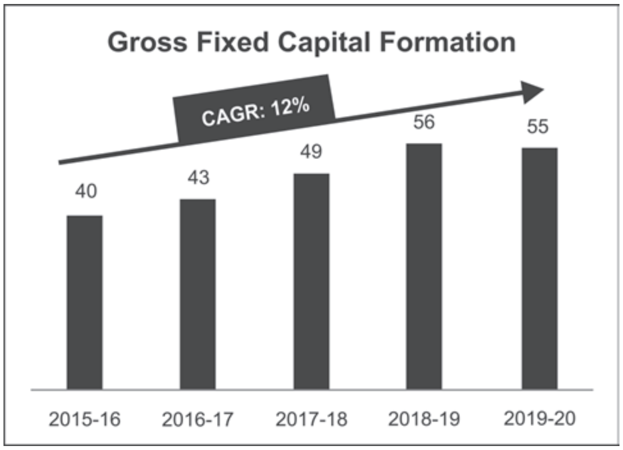
CGD authorisation	Geographical Areas	Population Covered (%)
Historical Infrastructure	92	19.9
Round 9 expansion	178	46.2
Round 10 expansion	228	70.5

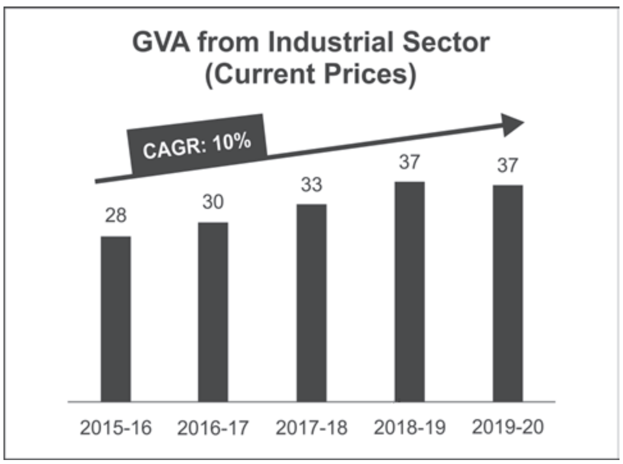
Source: *Petroleum and Natural Gas Regulatory Board (PNGRB)*

Industrial Usage Trends

After the recent weakness, caused by the spread of COVID-19, 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 as the country moves forward to meet its objective of 15% gas contribution in the fuel mix.

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.

Since March/April 2020, 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.

Other Key Usage Areas

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 and vehicles as well as supporting equipment.

Fire Safety Equipment and Fire Suppression Systems

The global fire safety equipment market was estimated at $58 billion in 2018 and expected to expand at an average 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 with countries across the world adopting stringent regulations mandating higher safety standards at industrial, residential and commercial locations. The fire safety systems and equipment market in India is expected to grow at 9% over the next few years, driven by rising awareness, widespread proliferation and pickup in demand even in Tier-II and Tier-III cities, backed by stricter government regulations.

GLOBAL DEMAND

Over the last 50 years, the energy mix of G20 countries has changed drastically with many countries/regions focusing on moving away from fossil fuels towards cleaner sources of energy. Thereby, the overall energy mix is becoming more diversified – however, given the enormity of the task, the transition is a long process and most countries are still reliant on fossil fuels to a large extent.

Up till the 1980s, energy consumption relied almost entirely on oil and coal. Some countries like the United States, Mexico, and Russia, also used natural gas – based on availability and cost of procurement. The overall trend began to shift in the 1980's with the use of oil for energy starting to decrease. Higher oil prices forced many utilities to turn to coal, natural gas and nuclear power. In the 21st century, the focus has moved from efficiency and cost to climate change with the Kyoto Protocol aiming to reduce greenhouse gas emissions. One significant transition has been to cut back on oil and coal and utilize more natural gas, which emits substantially less carbon dioxide for the same level of energy produced. As countries begin to push towards carbon-neutrality, the energy mix will continue to change.

Natural gas can potentially support a shift out of coal in developing economies as renewables may not be able to grow at the pace required to fill the gap. This is already visible in India and some other Asian countries that are expanding the role of natural gas as a greater source of low-carbon energy.

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 developing economies, especially in regions with ample gas availability 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, volume of demand here will remain smaller in than industry and power sectors. The speed and pattern of growth in gas demand, particularly in developing countries, is also dependent on the pace at which the required supporting infrastructure is developed.

Worldwide & Regional Natural Gas Vehicle (NGVs) Statistics as on December 2019:

Region	NGVs	Stations
World- Wide	28,540,819	33,383
ASIA-PACIFIC	20,473,673	20,275
EUROPE	2,062,621	5,194
NORTH AMERICA	224,500	1,856
LATIN AMERICA	5,484,676	5,848
AFRICA	295,349	210

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 substantial market share, 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 through 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. Operations in Europe are now slated for expansion with the decision to establish manufacturing infrastructure in 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 effectively handles all of its essential raw material suppliers to ensure continuous manufacturing, and has extended its local and international supplier network to assure smooth availability of vital raw materials. However, price fluctuation in raw materials such as seamless steel tubes, which can occur for a variety of causes, can stymie profitability and, in the near term, lead to demand reduction. To reduce this risk, the marketing department examines raw material pricing on a regular basis.

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

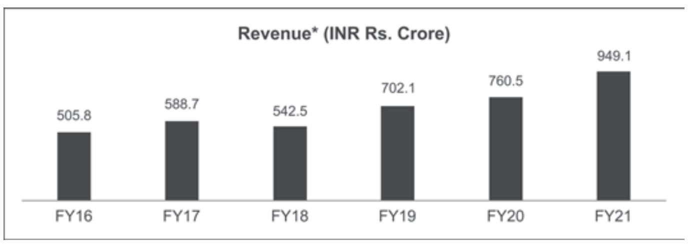
Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, employment related matters etc. Growing business stature of the Company may even lead to frivolous litigation that is without any legal merit, which is an inherent risk faced by all 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.

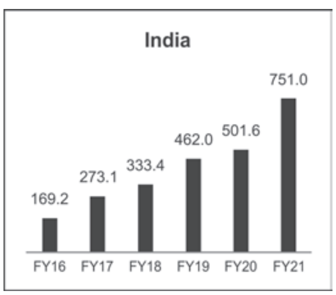
Environmental Risks

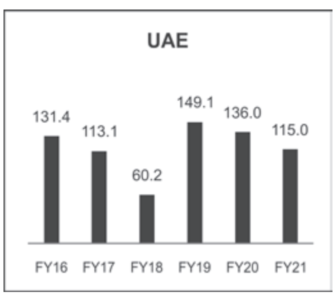
Due its reliance on natural resources, the Company's business operations are subject to local environmental laws, especially at its manufacturing sites. The cost and compliance that is associated with such regulations can directly impact the Company's daily operations. As a responsible organisation, the Company follows all mandated guidelines and laws and adhere to norms with respect to the environment.

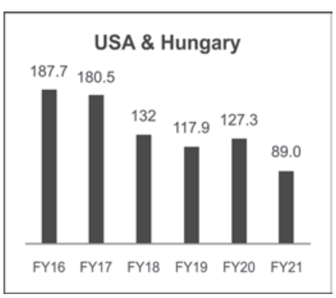
FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year ended March 31, 2021. 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 to the consolidated financial statements.







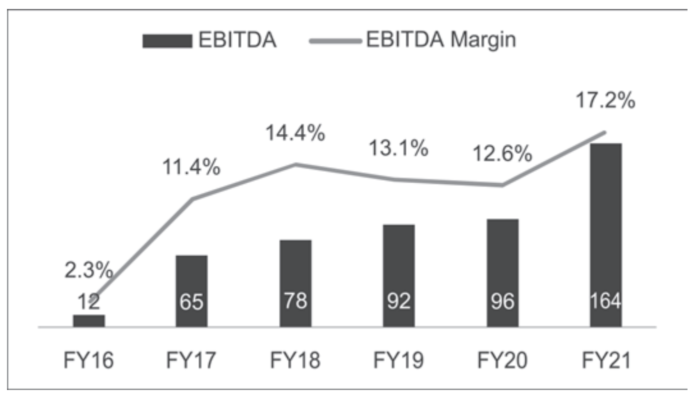


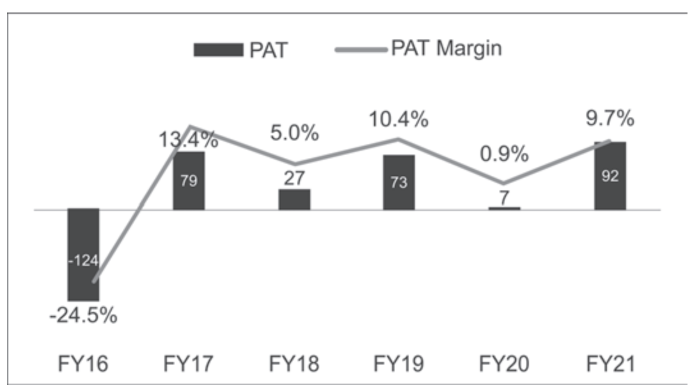
During FY 21, EKC's revenues expanded by 25% to Rs. 949 crore, which is by far the Company's highest ever turnover in more than four decades of operations. This was clearly driven by 50% growth in India, whereas the performance in international operations remained subdued.

The automobiles sector, a key source of demand for high-pressure gas cylinders in India, saw volume slowdown in the first half of the financial year. There was pick-up in sectorial demand in the second half of the year, which continues into the current year as well. Within the Indian auto ecosystem, CNG-driven vehicles are seeing expanding usage and market share gains for CNG vis-à-vis other fuels were seen in 2020-21 as well. With EKC's strong relationships with many leading automobile players in the country, increasing business traction is visible over the next few years by riding this trend.

As the Company continued to support the growing demand for medical oxygen throughout the year, there was increased contribution from cylinders manufactured for the healthcare sector. It is expected that this demand will scale down with the COVID-19 spread being controlled over the next few months as vaccine proliferation intensifies. The Company's fungible manufacturing infrastructure would then be used productively in other demand verticals. Overall, the utilization of domestic infrastructure is expected to remain consistently high based on wide ranging demand drivers.

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 has remained stable as growth initiatives have been undertaken on the back of a stable asset base. Operating margins expanded based on strong volume growth, high contribution margins, tight control on costs – leasing to operating leverage. Margins may increase over a period of time with further scale in operations.

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

(₹ In Crores)	FY 20-21	FY 19-20
Income from Continuing Business Operation	**949.1**	760.5
Earnings before interest, tax, depreciation and amortization (before other income)	**163.7**	95.3
Profit Before Tax (PBT)	**105.6**	22.8
Tax (Expense) / Mat Credit	**(55.6)**	(10.3)
Profit after Tax from continuing operation	**91.6**	6.7

The Company made notable increase in income from continuing operations as well as profit after tax, which signifies substantial improvement in a challenging environment.

Product-wise performance (Consolidated) Sales Value

(₹ In Crores)	FY 20-21	FY 19-20
CNG	**432.98**	348.58
Industrial	**315.68**	245.57
Jumbo	**131.51**	131.88
Trading sales	**78.98**	49.48
Total	**943.30**	756.07

KEY DEVELOPMENTS

Sale proceeds related to the sale of EKC's China subsidiary received

- With respect to sale/disposal of EKC Industries (Tianjin) Co. Ltd., Everest Kanto Cylinder Limited's subsidiary in China, the remittance equivalent of RMB 85.39 Million post retention of RMB 8.11 Million, has been received by the shareholders i.e. Everest Kanto Cylinder Limited, India and EKC International FZE, Dubai (Wholly Owned Subsidiary of Everest Kanto Cylinder Limited) as on March 31, 2021.
- Everest Kanto Cylinder Limited has received in India a remittance equivalent of RMB 54.62 Million and EKC International FZE, Dubai has received a remittance equivalent of RMB 30.77 Million as on 31st March 2021.

Pledge released on promoter group's equity shares

- The Company has paid its last installment on March 17, 2021, and thereby has repaid in entirety, the Term Loan of Rs. 325 crore availed from Yes Bank Ltd., on October 06, 2012. Consequently, on March 22, 2021, Yes Bank Ltd. has released the Pledge on Promoter Shares of the Company amounting to a total of 29.99% of the entire Share Holding of the Company.

EKC's Dubai subsidiary forges JV in Hungary to manufacture cylinders for the European market

- EKC International FZE, Dubai, Wholly Owned Subsidiary of Everest Kanto Cylinder Limited, decided to partner with Rév Gas Industrial Ltd to set up a state-of-the-art high-pressure cylinder / vessel manufacturing plant in Hungary.
- Rév Gas Industrial Ltd, is a family-owned group of companies with a turnover of above EUR 25Mn. Having presence in 10 locations in Europe. Rév has grown to be leading high pressure cylinder trading company in Europe, with expertise in all applications and cylinder refurbishment.
- Joint Venture Company in the name of EKC Europe Manufacturing Private Limited Company (short name: EKC Europe Zrt.) with equity contribution in the ratio of 80:20 (EKC FZE:REV) has been incorporated.

Greenfield expansion of manufacturing capacity

- The Company's Board of Directors has approved a proposal to increase the existing manufacturing capacity in India by 2,00,000 cylinders per annum (from the existing capacity 7,17,000 cylinders per annum). A greenfield facility will be set-up at a suitable location in Gujarat for this purpose over three phases with an investment of ~Rs. 45 crore, of which the first phase will be completed in FY24.
- The said investment will be towards land, factory buildings, ancillary equipment etc. whereas the core manufacturing equipment is available with the company. Proximity of the proposed facility to the Company's existing manufacturing location at Kandla SEZ is expected to result in operating/ cost efficiencies and greater economies of scale.

COVID-19 UPDATE:

In its position as a leading manufacturer of high-pressure gas cylinders in India, EKC has a strong track record of supplying safe, high quality oxygen gas cylinders used by hospitals and medical establishments across the country. Over the last many months, the Company has been at the forefront of the country's war against Covid-19, having stepped up production of medical oxygen as demand escalated throughout the last financial year. Remaining fully committed to the cause, EKC supplied medical oxygen cylinders to central government agencies, defence establishments, several state governments as well as hospitals and NGO's across the country, thus making a positive contribution in securing the health of the Indian people and communities in the time of crisis. Simultaneously, the Company has also maintained a considerate view towards the safety of its staff and their families, who have supported all the critical initiatives with complete dedication.

Following the initial lockdown that resulted in stoppage of production at its facilities located at Tarapur (Maharashtra) and Kandla (Gujarat), the Company received requisite permissions to re-initiate operations – based on medical oxygen cylinders being covered under the essential goods category. Labor was mobilized and production was gradually scaled up to optimal levels over the next few months. 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. The safety of every employee is of prime importance and stringent safety protocols have been followed throughout within the manufacturing processes at all locations.

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 its 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.

Employees 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 and overall safety protocols.

Given that manufacturing lines have fungible capabilities, with the capacity to manufacture different varieties of products based on demand and order book, EKC has catered to various customer segments during the year while contributing throughout as a good corporate citizen. From the supply chain/raw material availability standpoint, EKC has seen very limited disruption during most of the lockdown period and major suppliers have continued to send shipments. 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, the dynamic market condition is not in the control of the Company.

OUTLOOK

EKC operates in vertical industry segments that hold the potential to deliver sustained growth over the longer term. There are structural gas demand drivers underlying secular volume growth. Although near term volumes have been somewhat impacted for CGD players due to lockdowns, this is expected to be a transient phase and likely to normalise soon with easing of lockdown norms. The gas consumption theme would gain further momentum and drive sustained long-term volume growth for CGD players in the coming years. Key drivers will be: 1) the government's thrust to increase the share of gas in India's overall energy mix to 15% by 2030 (from just 6% currently), 2) a crackdown on polluting cities (the NGT has identified over 100 cities in India to reduce pollution) and 3) most importantly; potential inclusion of natural gas under the GST regime (could be a game changer and kick-start the next growth phase for gas consumption in India).

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 for 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 a 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 for the fight against the COVID-19 pandemic in the country. It is expected that even the post-COVID-19 phase, healthcare infrastructure will continue to be a key focus area with on-going initiatives from public as well as private sectors.

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. Going forward, production can be suitably fine-tuned to match emerging demand trends.

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 16-21 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.

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 941 (including contract employees) employees as on March 31, 2021.

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, 2021 is given below:

- Two Promoters (One Managing Director and one Executive Chairman).
- 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.

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

Sr. No.	Name of the Directors	Number of Directorships^	Number of Committees^^	
			Member	Chairperson
1.	Mr. Pushkar Khurana	1	1	0
2.	Mr. Puneet Khurana	2	2	0
3.	Mr. M. N. Sudhindra Rao	0	1	0
4.	Mr. Ghanshyam Karkera	1	3	1
5.	Dr. Vaijayanti Ajit Pandit	7	5	1
6.	Mrs. Uma Acharya	2	1	2

^ 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.

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

Name of Directors	Name of the Listed Company	Category of Directorship
Mr. Ghanshyam Karkera	Polygenta Technologies Limited	Non - Executive - Independent Director
Dr. Vaijayanti Ajit Pandit	Banswara Syntex Limited	Non - Executive - Independent Director
	Automobile Corporation of Goa Ltd	Non - Executive - Independent Director
	I G Petrochemicals Limited	Non - Executive - Independent Director
	Indo Count Industries Limited	Non - Executive - Independent Director
	TML Distribution Company Limited	Non-Executive - Independent Director
Mrs. Uma Acharya	Mysore Petro Chemicals Limited	Non - Executive - Independent Director

None of the Directors, except above are directors in listed entities.

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

As per the relaxation given by Ministry of Corporate Affairs (MCA) due to COVID 19 pandemic, all Board and Committees meetings of the Company during the year under review were held through Video Conferencing means.

Five Board Meetings were held during the year on July 10, 2020; August 25, 2020; November 12, 2020, February 13, 2021 and March 24, 2021 as per the minimum requirement of four meetings. 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 29, 2020
		Held	Attended	
Mr. Pushkar Khurana	Promoter, Executive Chairman	5	5	Yes
Mr. Puneet Khurana	Promoter, Managing Director	5	4	Yes
Mr. M. N. Sudhindra Rao	Independent, Non – Executive	5	5	Yes
Mr. Ghanshyam Karkera	Independent, Non – Executive	5	5	Yes
Dr. Vaijayanti Ajit Pandit	Independent, Non – Executive	5	5	Yes
Mrs. Uma Acharya	Independent, Non – Executive	5	5	Yes

- **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 & Managing Director along with other Senior Managerial Personnel oversees the functional matters of the Company.

i. 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.

ii. 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. However, as per the relaxation given by Ministry of Corporate Affairs (MCA) due to COVID 19 pandemic, all Board and Committees meetings of the Company during the year under review were held through Video Conferencing means.

iii. 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.

iv. 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 Regulations of the SEBI LODR 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 Management.

- **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 March 24, 2021, four Independent Directors were present at the meeting with no presence of Non-Independent Directors and Members of the Management for transacting following agenda:

  a) Review the performance of Non-Independent Directors and the Board as a whole;

  b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

  c) 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.

  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.**

- **None of the Independent Directors of the Company have resigned during the year.**

- **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 as tabulated below:

Core Skills / Expertise / Competencies	Mr. Pushkar Khurana	Mr. Puneet Khurana	Ms. Maganti Narayanarao Sudhindra	Ms. Uma Achyut Acharya	Mr. Ghanshyam Karkera	Ms. 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 constituted under the provisions of Section 177 of the Companies Act, 2013 and the terms of reference of the committee are:

i. Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement and auditor's report is correct, sufficient and credible;

ii. Recommend the appointment, terms of appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Approval or any subsequent modification of transactions of the Company with related parties;

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

a) 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;

b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions;

g) Modified opinion(s) / Qualifications in the draft audit report.

vi. Reviewing, with the management, the quarterly financial statements and auditor's limited review reports before submission to the board for approval;

vii. 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 and monitoring the auditor's independence and performance, and effectiveness of audit process

x. Reviewing of adequacy and effectiveness of internal control systems and processes;

xi. 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;

xii. Discussion with Internal Auditors any significant findings and follow up there on;

xiii. 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;

xiv. Evaluation of internal financial controls and risk management systems;

xv. 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;

xvi. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;

xvii. To review the functioning of the Whistle Blower Mechanism, in case the same is existing;

xviii. 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

xix. Scrutiny of inter-corporate loans and investments;

xx. Valuation of undertakings or assets of the company, wherever it is necessary;

xxi. 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;

xxii. 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;

xxiii. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

xxiv. Carrying out any other functions as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
   - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(b) Composition, Name of the Members and Chairman

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 LODR 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	Category	No. of Committee Meetings	
			Held	Attended
Mr. Ghanshyam Karkera	Chairman	Independent & Non - Executive	4	4
Mr. Puneet Khurana	Member	Promoter, Managing Director	4	4
Mr. M. N. Sudhindra Rao	Member	Independent & Non - Executive	4	4
Mrs. Uma Acharya	Member	Independent & Non - Executive	4	4

(c) Meetings of the Audit Committee:

Four meetings of the Audit Committee were held during the year ended March 31, 2021, on July 10, 2020; August 25, 2020; November 12, 2020 and February 13, 2021.

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 LODR 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	Category	No. of Committee Meetings	
			Held	Attended
Mr. M. N. Sudhindra Rao	Chairman	Independent & Non -	2	2

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. Ghanshyam Karkera	Member	Independent & Non - Executive	2	2
Mr. Pushkar Khurana	Member	Promoter, Executive Chairman	2	2
Mrs. Uma Acharya	Member	Independent & Non - Executive	2	2

(c) Meetings of the Nomination & Remuneration Committee:

During the year under review, two meetings of the Nomination & Remuneration Committee were held on July 10, 2020 and March 24, 2021.

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:

i. 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.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. 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.

iv. 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 Chairperson

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mrs. Uma Acharya	Chairperson	Independent & Non - Executive	1	1
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

(c) Meetings of the Stakeholder's' Relationship Committee

One meeting of the Stakeholders' Relationship Committee for the year ended March 31, 2021 was held on February 13, 2021.

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

Ms. Reena Shah, 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 – 2020	0	0	0	0
Sep – 2020	0	0	0	0
Dec – 2020	0	0	0	0
Mar – 2021	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, 2021.

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 LODR Regulations 2015, 2110 Equity shares belonging to 10 shareholders are lying in the unclaimed securities suspense account as on April 01, 2020 and March 31, 2021. 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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility [CSR] Committee of directors as required under Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy' and to suggest remedial measures wherever necessary.

(a) Terms of reference

1) Formulate and recommend to the Board, a CSR Policy to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2) Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
3) Monitor the implementation of the CSR activities undertaken by the Company.

(b) Composition, Name of the Members and Chairperson

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mrs. Uma Acharya	Chairperson	Independent & Non - Executive	2	2
Mr. Puneet Khurana	Member	Promoter, Managing Director	2	1
Mr. Pushkar Khurana	Member	Promoter, Executive Chairman	2	1
Dr. Vaijayanti Ajit Pandit	Member	Independent & Non - Executive	2	2

E. 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 Regulations 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 2020-2021, the sitting fees paid to the Non - Executive Directors are as detailed below:

(in ₹)

Name	Sitting fees paid during the year 2020-21		Commission	Total
	Board Meetings	Committee Meetings		
Mr. M. N. Sudhindra Rao	1,50,000	1,50,000	5,00,000	8,00,000
Mr. Ghanshyam Karkera	1,50,000	1,65,000	5,00,000	8,15,000
Dr. Vaijayanti Ajit Pandit	1,50,000	30,000	5,00,000	6,80,000
Mrs. Uma Acharya	1,50,000	1,95,000	5,00,000	8,45,000

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 40th AGM of the Company.

Details of Remuneration to the Executive Directors

(in ₹)

Name	Salary	Perquisites	Others	Total
Mr. Puneet Khurana	1,84,80,000	28,92,886	0.00	2,13,72,886
Mr. Pushkar Khurana*	-	-	-	-

* Remuneration has not been paid to Mr. Pushkar Khurana.

The elements of the remuneration package of executive directors comprise 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 claw back provisions. No severance fee is payable by the Company on termination of these contracts.

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
2019-2020	September 29, 2020 at 12:30	Through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility **Deemed Venue -** 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.	1) Appointment and Payment of Remuneration to Mr. Puneet Khurana (DIN: 00004074) as the Managing Director of the Company for a period of 5 (five) years 2) Re-appointment of Mrs. Uma Acharya, (DIN: 07165976), as an Independent Director of the company to hold office for a second term of 5 consecutive years.
2018-2019	September 30, 2019 at 4.30 pm	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.	Appointment of Mr. Maganti Narayanarao Sudhindra (DIN: 01820347) as an Independent, Non-Executive Director of the Company.
2017-2018	September 29, 2018 at 3.00 pm	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.	Reappointment 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.

B. Postal Ballot

Pursuant to Section 108 and 110 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), the Company has not transacted any business through Postal Ballot or does not intend to transact as on the date of this report.

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.

  Presentations to institutional investors/ analysts: Presentation to Investors after every financial quarter on financial performance of the company post declaration of financial results has been made to institutional investors / analysts during the year. The Investor Presentation and Transcript of Earnings Conference Call are 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 email-id: The Company has an exclusive email 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 42nd Annual General Meeting:

Day, Date and Time:

Thursday, September 23, 2021 at 11.30 a.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, 2021 to March 31, 2022

Results for the quarter ending June 30, 2021
1st / 2nd week of August, 2021

Results for quarter ending September 30, 2021
1st / 2nd week of November, 2021

Results for quarter ending December 31, 2021
1st / 2nd week of February, 2022

Results for year ending March 31, 2022
3rd / 4th week of May, 2022

Annual General Meeting
August / September, 2022

6.4 Book Closure Period

The Register of Members and the Share Transfer books of the Company will remain closed from September 17, 2021 to September 23, 2021 (both days inclusive), for the purpose of the 42nd Annual General Meeting.

6.5 Dividend Payment Date

The Board has recommended a final dividend of ₹ 0.30/- per equity share on June 24, 2021 for approval of members for the Financial Year 2020-2021 if approved, will be paid on or after five days of conclusion of AGM.

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",C-1, Block G, 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

The listing fees and custodial fees for the Financial Year 2021-22 have been paid by the Company within the stipulated time.

6.7 Stock Market Data

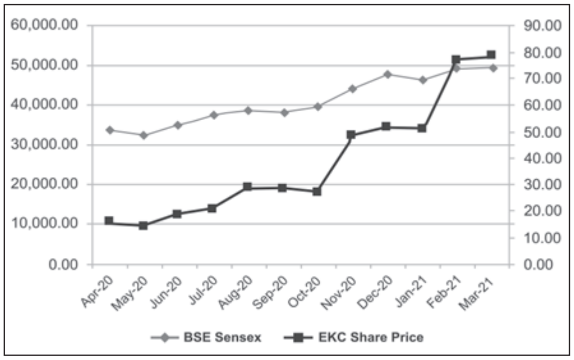
Details of high and low price and the number of shares traded during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited are as under:

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 2020	17.60	11.30	1,79,082	18.20	11.35	7,57,835
May 2020	15.70	12.90	1,69,579	15.60	12.95	7,03,728
June 2020	21.15	14.00	10,00,532	21.55	13.90	44,52,691
July 2020	24.35	17.80	5,97,347	24.50	17.70	47,41,473
August 2020	35.00	20.65	15,02,853	35.05	20.60	72,86,771
September 2020	30.00	26.00	4,05,412	30.40	26.00	17,03,474
October 2020	33.20	27.00	3,69,656	32.20	26.75	9,74,597
November 2020	48.60	26.95	16,94,485	48.75	27.05	56,52,159
December 2020	59.00	42.70	14,75,611	59.15	42.55	91,17,177
January 2021	61.10	44.50	10,53,759	61.80	45.10	66,52,490
February 2021	88.00	51.00	38,56,917	88.30	51.05	2,71,27,829
March 2021	86.25	67.15	20,70,911	86.35	67.00	1,64,54,488

[Source: This information is compiled from the data available from the websites of BSE and NSE].

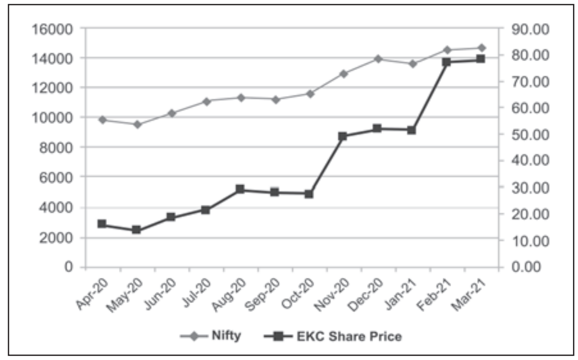
6.8 Stock Performance

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 PRIVATE LIMITED
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel: +91 (22) 49186270
Fax: +91 (22) 49186060
Email: rnt.helpdesk@linkintime.co.in
Web: www.linkintime.co.in

6.10 Share Transfer System

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

6.11 Statement showing Shareholding Pattern as on March 31, 2021

Category of Shareholders	Number of Shares	% of Shareholding
Shareholding of Promoter and Promoter Group	75,613,143	67.39
Central Government / State Government(s)	500	0.00
Financial Institutions / Banks	517,664	0.46
Foreign Institutional Investors (Including FPI)	104,922	0.09
NBFC Registered with RBI	8,200	0.01
Bodies Corporate	2,818,504	2.50
Individual shareholders holding nominal share capital up to ₹ 2 lakhs	22,191,269	19.78
Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	5,611,548	5.00
Clearing Members	653,622	0.58
Non Resident Indians	1,264,505	1.13
HUF	3,215,037	2.87
IEPF	208,768	0.19
TOTAL	**112,207,682**	**100.00**

The number of shareholder is consolidated based on PAN, where available.

6.12 Distribution of Shareholding by Size as on March 31, 2021

No. of Shares held	No. of Shareholders	% to No. of Shareholders	No. of Shares	% to No. of Shares
1 - 500	33,914	82.67	4,898,221	4.37
501 - 1000	3,443	8.39	2,867,737	2.56
1001 - 2000	1,722	4.20	2,700,389	2.41
2001 - 3000	606	1.48	1,581,510	1.41
3001 - 4000	280	0.68	1,019,821	0.91
4001 - 5000	289	0.70	1,384,543	1.23
5001 - 10000	387	0.94	2,925,667	2.61
10001 and above	384	0.94	94,829,794	84.50
TOTAL	**41,025**	**100.00**	**112,207,682**	**100.00**

6.13 Dematerialization of Shares as on March 31, 2021

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	18,670,308	16.64
NSDL	93,535,744	83.36
Sub – Total	**112,206,052**	**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, 2021.

6.15 Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

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 2020-2021.

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. Reena Shah, Company Secretary, at the registered office of the Company for any assistance at:
Tel.: 91 22 4926 8300.
Email: investors@ekc.in

Link Intime India Pvt. Ltd.
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083, Maharashtra (India).
Tel.: +91 (22) 49186270
Fax: +91 (22) 49186060
Email: rnt.helpdesk@linkintime.co.in
Web: www.linkintime.co.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 45 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 30th June, 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 3rd May, 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 Regulations 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) of the SEBI LODR Regulations 2015**

   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 SEBI LODR Regulations 2015.

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 2020-2021 is ₹ 67.97 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	Nil
b) Number of complaints disposed of during the financial year	Nil
c) Number of complaints pending as on end of the financial year	Nil

10. Non-compliance of any requirement of corporate governance report of sub-paras (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 Chairman and Managing Director. The company does not have Chief Executive Officer.

8. **CEO and CFO Certification**

As the Company does not have 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 LODR 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(2) of SEBI LODR Regulations 2015.

9. **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 2020-2021."

For and on behalf of the Board
Everest Kanto Cylinder Limited

Puneet Khurana
Managing Director
DIN: 00004074

10. **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 LODR Regulations 2015, is attached to the Directors' Report forming part of the Annual Report.

11. **Disclosures with respect to demat suspense account/ unclaimed suspense account :** NIL

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 LODR Regulations 2015.**

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 29, 2020 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, 2021.

* 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

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
August 12, 2021

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, 2021.

For and on behalf of the Board

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
August 12, 2021

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.

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

For and on behalf of the Board

Puneet Khurana
Managing Director
DIN: 00004074

Mumbai
August 12, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Everest Kanto Cylinder Limited

I have examined the compliance of Corporate Governance by Everest Kanto Cylinder Limited ('the Company') for the year ended March 31, 2021, 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.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My 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 as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations.

I further state that such compliance 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)

Aashish Bhatt
Proprietor
ACS No.: 19639
UDIN: A019639C000772149

Mumbai
August 12, 2021

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 2021, 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 2021, 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 Standalone 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 54 to the accompanying standalone financial statements regarding delays in payment of foreign currency trade payables against the supply of goods and receipt in foreign currency trade receivables aggregating ₹ 8,728.06 lakhs and ₹ 152.09 lakhs, respectively, that are outstanding as at 31 March 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 standalone financial statements. Accordingly, the accompanying standalone financial statements do not include any consequential adjustments with respect to such delays/defaults. Our opinion 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 matter	How our audit addressed the key audit matter
Assessment of recoverable value of idle property, plant and equipment Refer notes 2 and 3 to the accompanying standalone financial statements. As at 31 March 2021, the net carrying amount of certain idle property, plant and equipment is ₹ 3,823.74 lakhs. The said assets have remained idle for a considerable period due to demand contraction for certain products. Therefore, management has considered it to be an indicator of possible impairment in the carrying value of these assets.	**Our procedures included, but were not limited to the following:** • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment and reclassification of assets from 'held for sale' to 'capital work-in-progress' in accordance with the requirements of Ind AS 105, and around valuation of the property, plant and equipment and capital work-in-progress to determine their recoverable values;

Further, assets aggregating ₹ 1,548.48 lakhs which were earlier held for sale have been reclassified from 'Assets classified as held for sale' to 'Capital work-in-progress' as on 31 March 2021, as they have been planned to be used in the near future. Such reclassification has been done in accordance with the requirements of Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations ('Ind AS 105') which requires determination of the recoverable value of such assets on the date of the subsequent decision to not sell such assets. Accordingly, the management, with the help of an independent valuer, has estimated the recoverable amount of the aforesaid idle property, plant and equipment and reclassified capital work-in-progress using 'Depreciated Replacement cost valuation method', under the cost approach, which is a complex exercise, and involves the use of significant estimates and assumptions that are dependent on expected future market conditions. As per assessment done by the management, the carrying value of the said capital work-in-progress was impaired by ₹ 467.75 lakhs and recognised in the accompanying standalone financial statements in accordance with Ind AS 105, as disclosed in note 3. Considering the materiality of the amounts involved, the significant judgement required in estimating the quantum of impairment in the value of the said property, plant and equipment and capital work-in-progress, and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year's audit.	• Obtained evidence of the subsequent decision taken by the management to use the property, plant and equipment earlier classified as 'held for sale' and evaluated its feasibility basis our understanding of the business and future management plans; • Assessed the appropriateness of methodology and valuation method used by the management's valuation specialist to estimate the recoverable value of the property, plant and equipment and capital work-in-progress using expertise of an auditor's valuation specialist; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management; • Assessed the reasonableness of estimates including estimation of expected useful lives of property, plant and equipment and key assumptions including salvage value and cost of disposal used by the management's valuation specialist in estimating the recoverable value of property, plant and equipment and capital work-in-progress and performed sensitivity analysis on such key assumptions using the expertise of auditor's valuation specialist; • Tested the arithmetical calculations in the management's computation; and • Evaluated the adequacy of disclosures in respect of impairment of the said property, plant and equipment and capital work-in-progress in the standalone financial statements.

Information other than the Standalone 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

standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 a branch included in the standalone financial statements of the

Company whose financial information (before eliminating inter branch balances / transactions) reflects total assets and net assets of ₹ 382 lakhs and ₹ 93 lakhs, respectively, as at 31 March 2021, and total revenues of ₹ Nil, total net loss after tax of ₹ 1 lakh, total comprehensive loss of ₹ 1 lakh, and cash outflows (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 has 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 2021 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 standalone financial statements of the Company as on 31 March 2021 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 46 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        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 2021;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;

        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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 21106815AAAACC3970

Place : Mumbai
Date: 24 June 2021

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 2021

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 assets ('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 on 31 March 2021 (₹ in lakhs)	Net block as on 31 March 2021 (₹ in lakhs)
Land	Two	Leasehold	111.42	89.83

(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 principal amount had been converted into equity shares of the subsidiary during the year ended 31 March 2019. Further, the Company had recognised a provision towards interest receivable on such loan of ₹ 2,297.23 lakhs during the year ended 31 March 2019. The interest receivable has been written off during the year ended 31 March 2021 post obtaining necessary approval from Reserve Bank of India;

(c) in view of our comments in (b) above, there are no amounts considered to be overdue for more than 90 days in respect of loans granted to such companies.

(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 have been delays in 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	Maharashtra State Tax Tribunal
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)
Central Excise Act	Excise Duty	293.07	-	F.Y. 2010-11	Commissioner (Appeals)

(viii) After receiving approval for rescheduling its loan from a bank, the Company has not defaulted in repayment of its loan to such bank during the year. Further, the Company has not defaulted in repayment of loans or borrowings to other banks and financial institutions. Also, the Company has no loan or borrowings payable to government and no dues payable to debentures holders 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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 21106815AAAACC3970

Place : Mumbai
Date: 24 June 2021

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 2021

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 2021, 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 standalone 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 standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 2021, 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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 21106815AAAACC3970

Place : Mumbai
Date: 24 June 2021

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

		Note No.	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
I.	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	2	**16,812.59**	19,443.98
	Capital work-in-progress	3	**3,457.16**	1,504.98
	Investment property	4	**1,114.53**	-
	Intangible assets	5	**26.16**	20.48
	Financial assets			
	Investments	6	**2,497.58**	2,474.35
	Trade receivables	7	**932.12**	-
	Loans	8	**209.46**	208.94
	Other financial assets	9	**930.20**	23.52
	Deferred tax assets (net)	10	**2,222.82**	5,270.81
	Current tax assets (net)		**77.33**	449.49
	Other non - current assets	11	**2,207.12**	1,674.70
			30,487.07	31,071.25
2	**Current assets**			
	Inventories	12	**12,278.98**	10,858.59
	Financial assets			
	Investments	13	**1,503.77**	7,300.64
	Trade receivables	14	**13,245.10**	8,869.98
	Cash and cash equivalents	15	**5,300.83**	527.51
	Bank balances other than cash and cash equivalents	16	**1,117.03**	1,355.15
	Loans	17	**60.62**	100.24
	Other financial assets	18	**359.79**	375.36
	Other current assets	19	**3,978.47**	1,615.04
			37,844.59	31,002.51
	Assets classified as held for sale	20	**273.85**	1,834.94
	TOTAL ASSETS		**68,605.51**	63,908.70
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity share capital	21	**2,244.15**	2,244.15
	Other equity	22	**34,714.52**	24,437.51
			36,958.67	26,681.66
2	**Liabilities**			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	23	**5,637.95**	5,181.76
	Other financial liabilities	24	**197.73**	273.64
	Provisions	25	**228.85**	155.42
			6,064.53	5,610.82
	Current liabilities			
	Financial liabilities			
	Borrowings	26	**5,382.78**	6,615.06
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	27	**239.50**	312.99
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**13,159.64**	12,510.39
	Other financial liabilities	28	**1,836.00**	6,345.78
	Other current liabilities	29	**4,534.90**	5,756.12
	Provisions	30	**429.49**	75.88
			25,582.31	31,616.22
	TOTAL EQUITY AND LIABILITIES		**68,605.51**	63,908.70
	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 Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note No.	Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
Revenue from operations	31	75,062.71	48,954.63
Other income	32	215.24	527.49
Total Income		75,277.95	49,482.12
Expenses:			
Cost of materials consumed	33	35,258.29	26,674.07
Purchases of stock-in-trade	34	5,639.72	1,757.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(406.92)	897.39
Employee benefits expense	36	2,658.26	2,417.51
Finance costs	37	2,028.19	2,628.33
Depreciation and amortisation	2,4 & 5	1,902.54	2,288.41
Other expenses	38	13,764.58	9,540.53
Total Expenses		60,844.66	46,204.17
Profit before foreign exchange variation gain / (loss), exceptional items and tax		14,433.29	3,277.95
Foreign exchange variation gain / (loss)		486.56	(569.57)
Profit before exceptional items and tax		14,919.85	2,708.38
Exceptional items gain / (loss) (net)	39	950.33	(112.48)
Profit before tax		15,870.18	2,595.90
Tax expense / (credit)	40		
Current tax		2,545.62	499.03
Deferred tax		3,048.54	506.00
		5,594.16	1,005.03
Profit after tax		10,276.02	1,590.87
Other comprehensive income / (loss)	41		
Items that will not be reclassified to profit or loss			
i) Measurements of defined employee benefit plans (net of tax)		(21.35)	(5.26)
ii) Fair value through other comprehensive income - equity investments (net of tax)		22.34	18.98
Total other comprehensive income		0.99	13.72
Total comprehensive income for the year		10,277.01	1,604.59
Earnings per equity share	50		
Basic and diluted (in ₹)		9.16	1.42
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 Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
A.	**Cash flow from operating activities**		
	Profit before tax	15,870.18	2,595.90
	Adjustments for :		
	Excess provision written back	(20.50)	(32.66)
	Bad debts / advances written off	580.90	84.61
	Liabilities no longer required written back	(44.15)	(150.51)
	Provision for doubtful debts	194.63	230.06
	Excess provision written back of inventories	(315.72)	(258.94)
	Unrealised foreign exchange loss/ (gain)	(178.48)	829.49
	Depreciation and amortisation	1,902.54	2,288.41
	Impairment of property, plant and equipment	467.75	-
	Provision for diminution in value of investments	13.31	-
	Provision for doubtful loan	-	371.42
	Profit on sale of property, plant and equipment (net)	(1,306.12)	(2.95)
	Profit on sale of subsidiary	(409.83)	-
	Provision for contingencies	329.14	-
	Fair valuation of financial guarantee	(4.52)	(5.83)
	Interest income	(88.83)	(203.96)
	Finance costs	2,028.19	2,628.33
	Operating profit before working capital changes	19,018.49	8,373.37
	Adjustment for :		
	Decrease / (Increase) in inventories	(1,104.47)	1,063.84
	Decrease / (Increase) in trade and other receivables	(8,734.96)	(240.73)
	(Decrease) / Increase in trade and other payables	10.63	1,404.03
	Operating profit after working capital changes	9,189.69	10,600.51
	Direct taxes paid (net of refunds)	(2,173.83)	(975.00)
	Net cash generated from operating activities	7,015.86	9,625.51
B.	**Cash flow from investing activities**		
	Inflow:		
	Interest income received	94.38	249.12
	Sale proceeds of property, plant and equipment	268.65	9.09
	Sale proceeds of current investments (net)	6,024.55	2.99
	Repayment of inter-corporate deposit placed	23.00	1,212.00
		6,410.58	1,473.20
	Outflow:		
	Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	2,058.63	3,732.42
	Purchase of non current investment	13.31	-
	Refund of excess advance received against sale of property, plant and equipment	62.63	15.37
	Fixed deposits placed (net)	89.49	48.20
		2,224.06	3,795.99
	Net cash generated from / (used in) investing activities	4,186.52	(2,322.79)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
C. Cash flow from financing activities		
Inflow:		
Proceeds from non-current borrowings	**911.49**	401.00
	911.49	401.00
Outflow:		
Repayment of non-current borrowings	**3,870.97**	4,136.00
Repayment of current borrowings (net)	**1,170.30**	583.70
Finance costs paid	**2,046.51**	2,370.49
Finance costs on lease obligations paid	**57.29**	62.14
Repayment of lease obligations	**195.48**	154.86
	7,340.55	7,307.19
Net cash used in financing activities	**(6,429.06)**	(6,906.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**4,773.32**	396.53
Add: Cash and cash equivalents at the beginning of the year	**527.51**	130.98
Cash and cash equivalents at the end of the year (refer note 15)	**5,300.83**	527.51
Cash and cash equivalents comprises of the following:		
Cash on hand	**17.09**	64.38
Balances with banks	**5,283.74**	463.13

Notes:

(i) Figures in brackets represent cash outflow.

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

This is the Statement of Cash Flows referred to in our report of even date

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

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

Equity share capital

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2019		**112,207,682**	**2,244.15**
Changes in equity share capital		**-**	**-**
As at 31 March 2020	**21**	**112,207,682**	**2,244.15**
Changes in equity share capital		**-**	**-**
As at 31 March 2021		**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 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 52)	-	-	(124.97)	-	**(124.97)**
Net profit for the year	-	-	1,590.87	-	**1,590.87**
Other comprehensive income / (loss) for the year	-	-	(5.26)	18.98	**13.72**
Closing balance as at 31 March 2020	**24,789.64**	**7,491.00**	**(8,095.90)**	**252.77**	**24,437.51**
Transactions during the year					
Net profit for the year	-	-	10,276.02	-	**10,276.02**
Other comprehensive income / (loss) for the year	-	-	(21.35)	22.34	**0.99**
Closing balance as at 31 March 2021	**24,789.64**	**7,491.00**	**2,158.77**	**275.11**	**34,714.52**

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 Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
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Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 gas and other gases, liquids and air. Further, the Company is engaged in the trading of fire extinguishment and related 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.

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) Use of estimates and judgements

The estimates and judgements used in the preparation of the standalone financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the year in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

d) Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27, 'Separate Financial Statements', except where investments initially accounted at cost are subsequently accounted and presented in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale.

e) Foreign Currency Transactions and Translations

i) Functional and presentation currency

The standalone 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 standalone 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.

f) 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 for 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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 the Company 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.

The Company recognises provision for sales return, based on the historical results. The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of sale of product. The estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

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.

g) 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 is recognised in standalone statement of profit and loss only when the right to receive payment is established.

h) Income tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is accounted in full, using the Balance Sheet approach, 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 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.

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 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 it is reasonably certain 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.

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 fair value less costs of disposal 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 was no impairment.

j) 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 asset and lease liability 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 exist.

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 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.

k) 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.

l) Inventories

i. Raw Materials and components, Work-in-progress, Finished goods and 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' includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating output. 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 are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts) which are used in operating machines or consumed as indirect materials in the manufacturing process. Stores and spares, excluding certain gases are charged to standalone statement of profit and loss during the year in which they are purchased.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes and ageing of inventory, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

m) 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 and loss or Other comprehensive income / (loss). For investments in equity instruments, it 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

SSubsequent 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 interests 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 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.

n) 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, through insolvency or bankruptcy proceedings on the company or the counterparty.

o) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated a depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing a part of plant and equipment and borrowing costs if capitalisation criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Spare parts are capitalized when they meet the definition of property, plant and equipment i.e., when the Company intends to use them for more than a period of 12 months.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 year in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is 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 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

i. Depreciation is 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 have 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.

ii. 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.

p) Intangible Assets

Intangible assets are stated at cost net of 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 software are capitalised at the amounts paid to acquire the respective license for use and are amortised over the estimated useful economic life. The assets' useful lives are reviewed at each financial year end.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the standalone statement of profit and loss.

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 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.

q) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any.

Depreciation on building is provided over it's useful life using the straight line method, in a manner similar to PPE.

Useful life considered for calculation of depreciation for assets class is as follows:

Non- Factory Building	60 years

r) 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 and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

t) 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 amount 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 recognised only when an inflow of economic benefits is probable.

u) 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 year 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, using 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.

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.

v) 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 rights issue, share split and reverse 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

w) 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 during 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.

The Company measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

x) 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.

y) 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.

z) 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 year, the nature and amount of such material items are disclosed separately as exceptional items.

(aa) Standards issued but not effective

There are no standards that are issued but not yet effective on 31st March 2021.

(ab) 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 year 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 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 slow and non-moving inventory - Refer note 12

ii) Estimated useful life of property, plant and equipment, intangible assets and investment property – Refer notes 2, 4 and 5

iii) Impairment of carrying value of property, plant and equipment, capital work-in-progress, intangible assets and investment property – Refer notes 2, 3, 4 and 5

iv) Recoverable value of investments in subsidiaries – Refer notes 6 and 13

v) Fair value less cost to sell for assets classified as held for sale – Refer note 20

vi) Estimation of current tax expenses and recognition of deferred tax assets - Refer notes 10 and 40

vii) Probable outcome of matters included under contingent liabilities - Refer note 46

viii) Provision for doubtful debts - Refer notes 7 and 14

ix) Estimation of Defined benefit obligation - Refer note 47

x) Estimated fair value of investments - Refer note 42

xi) Leases – Estimating the incremental borrowing rate - Refer note no. 1(b)(j)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2 Property, plant and equipment

(₹ in lakhs)

	Freehold land	Leasehold land [Refer note (i) below]	Buildings [Refer note (ii) (vi) and (vii) below]	Plant and equipment [Refer note (iv) and (v) below	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equip-ment	Com-puters	Gas Cylinders	Gas Cylinders on lease	Electrical Install-ations	Right of Use Assets		Total	Note 3: Capital work in progress [Refer note (v) and (vi) below]
												Lease-hold land [Refer note (i) below]	Build-ings		
Gross carrying amount															
Balance at 1 April 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 52)	-	266.97	-	-	-	-	-	-	-	-	-	266.97	-	-	
Transition impact on account of adoption of Ind AS 116, 'Leases' (Refer note 52)	-	-	-	-	-	-	-	-	-	-	-	-	398.89	398.89	
Additions / Transfer of assets (Refer note 33)	-	-	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**	
Additions	-	-	110.89	988.35	4.62	130.66	9.68	13.20	-	-	-	-	134.26	1,391.66	
Disposals / Transfer of assets [Refer note (vi) and (vii) below]	-	-	1,972.38	-	-	60.00	-	-	21.12	288.83	-	-	-	2,342.33	
Balance at 31 March 2021	**232.60**	**-**	**8,378.28**	**30,411.21**	**322.26**	**518.88**	**253.64**	**841.13**	**542.68**	**-**	**648.97**	**266.97**	**544.86**	**42,961.48**	
Accumulated depreciation / amortisation															
Balance as at 1 April 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 52)	-	167.77	-	-	-	-	-	-	-	-	-	167.77	-	-	
Depreciation / amortisation 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**	
Depreciation / amortisation charge for the year	-	-	228.41	1,380.22	11.67	53.59	11.13	10.28	11.89	6.06	24.32	1.29	160.03	1,898.89	
On disposals / transfer of assets [Refer note (vi) and (vii) below]	-	-	148.14	-	-	38.43	-	-	12.84	18.76	-	-	-	218.17	
Balance as at 31 March 2021	**-**	**-**	**2,669.90**	**20,749.74**	**249.59**	**195.66**	**211.86**	**774.31**	**338.42**	**-**	**499.17**	**170.35**	**289.89**	**26,148.89**	
Net carrying amount															
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**
As at 31 March 2021	**232.60**	**-**	**5,708.38**	**9,661.47**	**72.67**	**323.22**	**41.78**	**66.82**	**204.26**	**-**	**149.80**	**96.62**	**254.97**	**16,812.59**	**3,457.16**

Notes :

(i) Execution of lease deed is pending for two land parcels acquired at Tarapur Plant aggregating ₹111.42 lakhs (31 March 2020: ₹111.42 lakhs).

(ii) Includes ₹ 750 (31 March 2020: ₹ 750) paid for shares acquired in co-operative societies.

(iii) Includes vehicles in the personal name of directors, having gross carrying amount of ₹ 40 lakhs and net carrying amount of ₹ 11.47 lakhs [(31 March 2020 ₹ 100 lakhs and net carrying amount of ₹ 40.56 lakhs)].

(iv) The assets of the Company include certain plant and equipment having net carrying amount of ₹ 3,823.74 lakhs as at 31 March 2021 (₹ 4,500.29 lakhs as at 31 March 2020) 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 (₹ Nil during the year ended 31 March 2020).
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 – Depreciated Replacement Cost (DRC) method under 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.

(v) During the year ended 31 March 2021, the Company has decided to utilise plant and equipment aggregating ₹ 1,548.48 lakhs in manufacturing of its finished goods, which were earlier classified as held for sale. Accordingly, these assets have been reclassified from 'Assets classified as held for sale' to 'Capital work-in-progress' in accordance with the applicable Indian Accounting Standards. The estimated recoverable value has been determined by the independent valuer using the same valuation model as mentioned in point (iv) above. The Company has recorded an impairment loss of ₹ 467.75 lakhs on these assets during the year ended 31 March 2021. Refer note 39.

(vi) During the year ended 31 March 2021, factory building at Aurangabad having net carrying amount of ₹ 708.16 lakhs has been transferred from Property, plant and equipment to Capital work-in-progress.

(vii) During the year ended 31 March 2021, office premises at Mumbai having net carrying amount of ₹ 1,116.08 lakhs has been reclassified from Property, plant and equipment to Investment Property, as the office premises is not being used by the Company in the production or supply of goods or services or for administrative purposes and is held to earn rentals and capital appreciation.

(viii) Disclosure of contractual commitments for the acquisition of property, plant and equipment [Refer note 46(c)(i)].

(ix) Information on property, plant and equipment pledged as security by the Company (Refer note 51).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4 Investment property

(₹ in lakhs)

	Buildings	Total
Gross carrying amount		
Balance as at 1 April 2019	**-**	**-**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**-**	**-**
Additions / Transfer of assets [Refer note 2(vii)]	1,116.08	1,116.08
Disposals	-	-
Balance as at 31 March 2021	**1,116.08**	**1,116.08**
Accumulated depreciation		
Balance as at 1 April 2019	**-**	**-**
Depreciation charge for the year	-	-
On disposals	-	-
Balance as at 31 March 2020	**-**	**-**
Depreciation charge for the period / year	1.55	1.55
On disposals	-	-
Balance as at 31 March 2021	**1.55**	**1.55**
Net carrying amount		
As at 31 March 2020	**-**	**-**
As at 31 March 2021	**1,114.53**	**1,114.53**

Fair value	
As at 31 March 2020	**-**
As at 31 March 2021	**1,425.00**

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment property	**2.69**	-
Direct operating expenses (including repairs and maintenance) generating rental income	**0.85**	-
Income arising from investment property before depreciation	**1.84**	-
Depreciation charge for the period / year	**1.55**	-
Income arising from investment property (Net)	**0.29**	-

Premises given on operating lease:

The Company has given a non-factory building premises on operating lease. This lease arrangement is for a period of 9 years and is a cancellable lease. The lease is renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivable at the balance sheet date is as under: (₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
For a period not later than one year	**100.19**	-
For a period later than one year and not later than five years	**433.32**	-
For a period later than five years	**546.45**	-

Estimation of fair value

The fair valuation of the investment property is derived by an accredited independent valuer by using 'Sales Comparison Method' under Market Approach using composite rate of commercial offices by comparing the investment property with similar properties that have recently been sold near the location of investment property. Comparable properties are selected for similarity to the subject property by considering attributes like age, size, shape, quality of construction, building features, condition, design, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

5 Intangible assets

(₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 2019	**254.62**	**254.62**
Additions	1.18	1.18
Disposals	-	-
Balance as at 31 March 2020	**255.80**	**255.80**
Additions	7.78	7.78
Disposals	-	-
Balance at 31 March 2021	**263.58**	**263.58**
Accumulated amortisation		
Balance as at 1 April 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**
Amortisation charge for the year	2.10	2.10
On disposals	-	-
Balance as at 31 March 2021	**237.42**	**237.42**
Net carrying amount		
As at 31 March 2020	**20.48**	**20.48**
As at 31 March 2021	**26.16**	**26.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6 Non-current investments

(₹ in lakhs)

	Face value of shares	Fully paid / partly paid	As at 31 March 2021		As at 31 March 2020	
			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**	**174.14**	1	169.62
(ii) Investments in indian subsidiaries (Unquoted - measured at cost)						
EKC Positron Gas Ltd	INR 10	Fully paid	**-**	**-**	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	**2,212,000**	**244.93**	1,606,950	238.88
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (i) below]	INR 10	Partly paid (₹ 6 / share)	**4,424,000**	**200.10**	3,214,000	192.84
Less: Provision for impairment in value of investment				**(445.03)**		(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**	**310.61**	115,000	288.27
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				**2,497.58**		2,474.35
Total non-current investments				**2,497.58**		2,474.35
Aggregate amount of unquoted investments				**2,497.58**		2,474.35
Aggregate amount of impairment in value of investments				**445.03**		431.72

Notes :

(i) During the year ended 31 March 2021, the Company made additional equity investments of ₹ 13.31 lakhs in Calcutta Compressions and Liquefaction Engineering Limited (CC&L) resulting into CC&L becoming wholly owned subsidiary of the Company. Further, the Company has trade receivables and loan aggregating ₹ 1,118.04 lakhs (31 March 2020 : ₹ 1,139.26 lakhs) due from CC&L as at 31 March 2021. The net worth of CC&L has been fully eroded in earlier years and accordingly ₹ 13.31 lakhs (31 March 2020 : ₹ 371.42 lakhs) has been provided for based on management's assessment of the recoverable value of the investment and other receivables. Further, recognition of interest income of ₹ 62.94 lakhs (₹ 62.94 lakhs for the year ended 31 March 2020) in respect of the aforesaid loan given to CC&L and rental income of ₹ 18.00 lakhs for the year ended 31 March 2021 has been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts. Refer notes 17 and 45.

(ii) Refer note 42 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 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
7	**Trade receivables (non - current)**		
	Trade receivables	932.12	-
	Less : Provision for doubtful debts	-	-
	Total	932.12	-
	Break up of trade receivables (Unsecured, considered good, unless otherwise stated)		
	- Secured, considered good	-	-
	- Unsecured, considered good	932.12	-
	- Significant increase in credit risk	-	-
	- Credit impaired	-	-
	Less : Impairment allowance		
	- Allowance for expected credit loss	-	-
	- Credit impaired	-	-
	Total	932.12	-
	Refer note 43 for information about credit risk and market risk of trade receivables		
8	**Non-current loans**		
	Unsecured, considered good, unless otherwise stated		
	Security deposits		
	- Considered good	209.46	208.94
	- Significant increase in credit risk	-	-
	- Considered credit impaired	239.00	239.00
	Less : Impairment allowance		
	- Credit impaired	(239.00)	(239.00)
	Total	209.46	208.94
	Refer note 43 for information about credit risk and market risk for loans.		
9	**Other non-current financial assets**		
	Unsecured, considered good		
	Deposits maturing over 12 months*	351.13	23.52
	Receivable from sale of subsidiary [Refer note 13(ii)]	579.07	-
	Total	930.20	23.52
	*Margin money against bank guarantees availed from bank.		
	Refer note 43 for information about credit risk and market risk for other non-current financial assets.		
10	**Deferred tax assets (net)**		
	Deferred tax liability on account of :		
	Depreciation and amortisation	3,502.65	3,470.77
	Financial liabilities measured at amortised cost	9.58	11.05
		3,512.23	3,481.82
	Deferred tax assets on account of :		
	Provision for doubtful debts / deposits / advances / other receivables, etc.	1,183.21	1,809.76
	Provision for employee benefits	108.00	85.09
	Provision for sales returns	10.37	7.89
	Transition impact on account of adoption of Ind AS 116, 'Leases' [Refer note 52]	45.88	58.44
	Unabsorbed depreciation as per tax laws	-	1,358.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
	Carried forward business losses as per tax laws	**-**	3,465.84
	Minimum alternate tax credit entitlement	**4,387.59**	1,967.24
		5,735.05	8,752.63
	Total	**2,222.82**	5,270.81
	Refer note 40(B).		
11	**Other non-current assets**		
	Capital advances	**2,138.30**	1,659.69
	Deposits with government authorities	**68.82**	15.01
	Total	**2,207.12**	1,674.70
12	**Inventories**		
	Raw materials and components	**4,993.62**	4,413.40
	Raw materials and components - in transit	**1,321.39**	963.60
	Less: Provision for diminution in value	**(225.52)**	(309.17)
	Work-in-progress	**3,522.49**	3,139.02
	Less: Provision for diminution in value	**-**	(232.07)
	Finished goods	**2,259.92**	1,695.81
	Finished goods - In transit	**105.00**	963.00
	Stock-in-trade	**280.63**	195.36
	Stores and spares	**21.45**	29.64
	Total	**12,278.98**	10,858.59
13	**Current investments**		
	Investment in equity shares of subsidiaries - Unquoted, fully paid and measured at cost		
	EKC Industries (Thailand) Co., Ltd [Refer note (i) below]	**1,503.77**	1,503.77
	[100,000 shares (31 March 2020 : 100,000 shares) of the face value THB 1,000 each]		
	EKC Industries (Tianjin) Co., Ltd [Refer note (ii) below]	**-**	5,796.87
	[Nil (31 March 2020 : 19,939,320 shares) of the face value USD 1 each]		
	Total	**1,503.77**	7,300.64
	Aggregate amount of quoted investments and market value thereof	**-**	-
	Aggregate amount of unquoted investments	**1,503.77**	7,300.64
	Aggregate amount for impairment in value of investments	**-**	-

Notes :

(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 '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 have transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Company has 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, the sellers have received RMB 85.39 Million as consideration and RMB 8.11 Million has been retained by the buyer for contingencies and/or open litigations of EKC China. The Company's share of receivable from the aforesaid retention amount has been classified under Note 9 - 'Other non-current financial assets'. The Company has created provision for contingencies of ₹ 329.14 lakhs against the aforesaid receivables.

Refer notes 30,39 and 46(a)(vii).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
14	**Trade receivables (current)**		
	Trade receivables (Refer note 54)	**13,233.46**	8,694.28
	Receivables from related parties (Refer notes 45 and 54)	**911.54**	1,065.16
	Less : Provision for doubtful debts	**(899.90)**	(889.46)
	Total	**13,245.10**	8,869.98
	Break up of trade receivables (Unsecured, considered good, unless otherwise stated)		
	- Secured, considered good	**-**	-
	- Unsecured, considered good	**13,316.50**	8,918.14
	- Significant increase in credit risk	**-**	-
	- Credit impaired	**828.50**	841.30
	Less : Impairment allowance		
	- Allowance for expected credit loss	**(71.40)**	(48.16)
	- Credit impaired	**(828.50)**	(841.30)
	Total	**13,245.10**	8,869.98
	Refer note 43 for information about credit risk and market risk of trade receivables.		
15	**Cash and cash equivalents**		
	Balances with banks		
	- In current accounts	**5,283.74**	463.13
	Cash on hand	**17.09**	64.38
	Total	**5,300.83**	527.51
	There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the year.		
16	**Bank balances other than cash and cash equivalents**		
	Margin money against guarantees and working capital facilities	**894.06**	1,097.54
	Margin money against letters of credit	**222.97**	256.24
	Earmarked balances - unpaid dividend accounts	**-**	1.37
	Total	**1,117.03**	1,355.15
17	**Current loans**		
	Unsecured, considered good, unless otherwise stated		
	Inter-corporate deposit	**51.47**	66.91
	Loans to related parties		
	- Considered good	**-**	-
	- Significant increase in credit risk	**-**	-
	- Considered credit impaired [Refer notes 6(i), 45 and note (i) below]	**582.73**	2,879.96
	Less : Impairment allowance		
	- Credit impaired	**(582.73)**	(2,879.96)
	Security deposits	**4.75**	12.91
	Others	**4.40**	20.42
	Total	**60.62**	100.24
	Refer note 43 for information about credit risk and market risk for loans.		

Notes :

(i) During the year ended 31 March 2020, the Company received approval from Reserve Bank of India (RBI) for write-off of interest receivable aggregating ₹ 2,297.23 lakhs on loans advanced to EKC Industries (Tianjin) Co., Ltd subject to certain terms and conditions. During the year ended 31 March 2021, the Company has written off the aforesaid interest receivable post complying with the terms and conditions specified in the approval provided by RBI.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
(ii)	**Disclosure as per Section 186 of the Companies Act, 2013**		
(a)	**Hubtown Limited**		
	Balance as at the year end	**51.47**	66.91
	Maximum amount outstanding at any time during the year	**66.91**	1,450.36
	[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
	Maximum amount outstanding at any time during the year	**2,297.23**	2,297.23
	[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.)]		
18	**Other current financial assets**		
	Unsecured, considered good		
	Advances and deposits recoverable*	**310.62**	314.99
	Interest receivable:		
	- Banks	**47.13**	55.69
	- Others	**2.04**	4.68
	Total	**359.79**	375.36
	*Includes ₹ 10 lakhs (31 March 2020: ₹ 10 lakhs), a security deposit to a private company in which directors are directors / members.		
19	**Other current assets**		
	Advances other than capital advances		
	- Advances paid to suppliers [Includes advances paid to subsidiaries ₹ 5.24 lakhs (31 March 2020 : ₹ 4.64 lakhs)] [Refer note 45]	**3,810.76**	1,139.43
	- Prepaid expenses	**74.00**	66.40
	- Other advances	**-**	289.52
	Balance with statutory authorities	**43.23**	81.24
	Right to receive inventory	**50.48**	38.45
	Total	**3,978.47**	1,615.04
20	**Assets classified as held for sale**		
	Freehold land [Refer note (i) below]	**273.85**	273.85
	Capital work-in-progress [Refer note 2(v)]	**-**	1,548.48
	Buildings [Refer note (ii) below]	**-**	12.61
	Total	**273.85**	1,834.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)

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 2020: ₹ 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 29 - 'Other current liabilities'.

(ii) As at 31st March 2020, 'Assets classified as held for sale' included premises at Mumbai having book value ₹ 12.61 lakhs (₹ 12.61 lakhs as at 31 March 2020), pursuant to the decision of the Company to dispose off the same. An amount of ₹ 1,412.63 lakhs received as advance against the proposed sale of aforesaid premises had been included in Note 29 - 'Other current liabilities' as at 31 March 2020. During the year ended 31 March 2021, the Company has recorded a gain of ₹ 1,337.39 lakhs on sale of aforesaid premises. Refer note 39.

(iii) Assets classified as held for sale during the year 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 valuation has been categorised under Level 3 of the fair value hierarchy.

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
21 Equity share capital		
Authorised:		
125,000,000 equity shares (31 March 2020 : 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 2020 : 112,207,682) of ₹ 2 each fully paid up	**2,244.15**	2,244.15
Total	**2,244.15**	2,244.15

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	2020-21		2019-20	
	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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(iii) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	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**	15,585,749	13.89
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	**8,205,459**	**7.31**	8,207,088	7.31

* 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 2021.

22 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 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 52)	-	-	(124.97)	-	**(124.97)**
Net profit for the year	-	-	1,590.87	-	**1,590.87**
Other comprehensive income / (loss) for the year	-	-	(5.26)	18.98	**13.72**
Closing balance as at 31 March 2020	**24,789.64**	**7,491.00**	**(8,095.90)**	**252.77**	**24,437.51**
Transactions during the year					
Net profit for the year	-	-	10,276.02	-	**10,276.02**
Other comprehensive income / (loss) for the year	-	-	(21.35)	22.34	**0.99**
Closing balance as at 31 March 2021	**24,789.64**	**7,491.00**	**2,158.77**	**275.11**	**34,714.52**

Nature and purpose of reserves

(i) Securities premium

Securities premium is created due to premium on issue 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
23	**Non-current borrowings**		
	Secured		
	Term loans from banks		
	Vehicle loans from bank and financial institution [Refer note (i) below]	**123.45**	90.46
		123.45	90.46
	Unsecured		
	Loans from related parties [Refer note (ii) below]	**5,514.50**	5,091.30
		5,514.50	5,091.30
	Total	**5,637.95**	5,181.76
	Refer note 43 for liquidity risk and note 51 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings		

Notes :

(i) Vehicle loan from a bank, balance outstanding ₹ 6.25 lakhs (31 March 2020: ₹ 9.18 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 ₹ 84.20 lakhs (31 March 2020: ₹ 100.08 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 is at fixed rate of interest of 11.75% per annum. Another vehicle loan from the same financial institution, balance outstanding ₹ 63.92 lakhs (31 March 2020: ₹ Nil) is repayable in 48 monthly instalments starting from August 2020 with the last instalment falling due in July 2024. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 11.00% per annum.

(ii) 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 ₹ 80 lakhs (March 2020: ₹ 102 lakhs), repayment of loans cannot be demanded before 1 April 2022.

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
24	**Other non-current financial liabilities**		
	Lease liabilities (Refer note 52)	**172.68**	273.64
	Security deposits	**25.05**	-
	Total	**197.73**	273.64
25	**Non-current provisions**		
	Provision for employee benefits		
	- Compensated absences (Refer note 47)	**90.30**	77.45
	- Gratuity (Refer note 47)	**138.55**	77.97
	Total	**228.85**	155.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
26	**Current borrowings**		
	Secured		
	Working capital facilities from banks	**5,382.78**	6,301.19
	Unsecured		
	Loan from others	**-**	313.87
	Total	**5,382.78**	6,615.06
	Refer note 51 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 property, plant and equipment and fixed deposits aggregating ₹ 500 lakhs of the Company. Working capital facility from another bank has been secured by exclusive charge on certain residential and commercial immovable properties owned by the 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 property, plant and equipment of the Company. The interest rate of the working capital facilities ranges from 9.70% per annum to 13.30% per annum as at year end (As at 31 March 2020 : 11.85% per annum to 14.30% per annum).

(ii) Loan from others, balance outstanding ₹ Nil (31 March 2020: ₹ 313.87 lakhs) is unsecured and bears an interest rate of 13% per annum.

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
27	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises [Refer note (ii) below]	**239.50**	312.99
	Total outstanding dues of creditors other than micro enterprises and small enterprises - related parties (Refer notes 45 and 54)	**8,729.09**	8,940.09
	Total outstanding dues of creditors other than micro enterprises and small enterprises - others (Refer note 54)	**4,430.55**	3,570.30
	Total	**13,399.14**	12,823.38

Notes :

(i) Refer note 43 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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	**239.50**	312.99
- 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 amounts payable to vendors as defined under the "Micro, Small and Medium Enterprises 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.

28 Other financial liabilities

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Current maturities of non-current borrowings		
Indian rupee common covid emergency credit line * [Refer note (i) below]	**371.39**	-
Indian rupee loan from bank ** [Refer note (ii) below]	**-**	3,785.20
Vehicle loan from bank and financial institution	**30.92**	18.80
Loans from related parties ***	**207.30**	234.91
Unclaimed dividends ****	**-**	1.37
Payable for capital expenditure	**251.56**	243.15
Liability towards repayment of advances received from customers	**-**	1,355.41
Lease liabilities (Refer note 52)	**213.95**	174.21
Deposits	**21.20**	19.56
Other liabilities	**739.68**	513.17
Total	**1,836.00**	6,345.78

* Includes interest accrued but not due aggregating ₹ 11.39 lakhs (31 March 2020: ₹ Nil)

** Includes interest accrued but not due aggregating ₹ Nil (31 March 2020: ₹ 38.39 lakhs)

*** Includes interest accrued but not due aggregating ₹ 127.30 lakhs (31 March 2020: ₹ 132.91 lakhs)

**** 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)

Note :

(i) During the year ended 31 March 2021, the Company has availed 'Common Covid Emergency Credit Line' facility from a bank aggregating ₹ 540.00 lakhs. This loan is 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. This has been further secured by personal guarantees from two promoter directors and exclusive charge on specific property, plant and equipment and fixed deposits aggregating ₹ 500 lakhs of the Company along with the working capital facility from the same bank. The loan is repayable in 18 equated monthly instalments after a moratorium of 6 months from date of disbursement with last instalment falling due in March 2022. The interest rate of the borrowing is 1Y MCLR i.e. 7.75% per annum as at year end.

(ii) During the year ended 31 March 2021, the Company has repaid in entirety the Indian rupee term loan from a bank, which was secured by way of (a) first pari passu charge on the property, plant and equipment of the Company, excluding specific property, plant and equipment of the Company (b) second pari passu charge on the current assets of the Company (c) unconditional and irrevocable personal guarantees from three promoter directors* (d) exclusive charge on certain residential and commercial immovable properties owned by the promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies. The interest rate of the borrowing on the date of repayment was YBL 1Y MCLR + 2.30% i.e. 11.10% per annum. Subsequent to the year end, the Company has received no objection certificate from the bank for satisfaction of charge created in respect of aforesaid assets and release of personal guarantees provided by three promoter directors*. The Company is in the process of satisfying the charge created on the aforesaid assets by making necessary application with appropriate authority.

* including their estate, effects, heirs, legal representatives and assigns, as applicable.

29 Other current liabilities

Advance from customers [Includes advances from related parties ₹ 1,382.81 lakhs (31 March 2020 : ₹ 1,656.31 lakhs)] [Refer note 45]	**2,903.06**	2,946.85
Statutory dues	**311.84**	76.64
Advance received against sale of land [Refer note 20(i)]	**1,320.00**	1,320.00
Advance received against sale of property, plant and equipment [Refer notes 20(ii) and note 45]	**-**	1,412.63
Total	**4,534.90**	5,756.12

30 Current provisions

Provision for employee benefits		
- Compensated absences	**19.54**	14.85
Provision for sales returns [Refer note below]	**80.81**	61.03
Provision for contingencies [Refer notes 13(ii) and 39]	**329.14**	-
Total	**429.49**	75.88

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	**61.03**	61.11
Provision made during the year	**58.58**	53.34
Provision reversed during the year	**38.80**	53.42
Closing provision	**80.81**	61.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
31	**Revenue from operations**		
	Sale of products		
	Manufactured goods	**68,583.38**	46,667.52
	Stock-in-trade	**5,939.23**	1,880.99
	Other operating revenues		
	Scrap sales	**502.07**	351.20
	Testing, inspection and installation fees	**38.03**	54.92
	Total	**75,062.71**	48,954.63
	Note: Refer note 49 for details of revenue from contracts with customers.		
32	**Other income**		
	Interest on financial assets measured at amortised cost [Refer note 6(i)]		
	- Inter-corporate deposit and loan	**13.33**	10.20
	- Fixed deposits	**70.88**	77.08
	- Others	**4.56**	11.66
	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
	- Commission income	**25.83**	29.15
	- Excess provision written back [Refer notes 43]	**20.50**	32.66
	- Recovery of bad debts of earlier years	**13.37**	11.78
	- Liabilities no longer required written back	**44.15**	150.51
	- Lease rent income [Refer note 6(i)]	**2.69**	64.53
	- Profit on sale of property, plant and equipment (net)	**-**	2.95
	- Miscellaneous income	**19.93**	31.90
	Total	**215.24**	527.49
33	**Cost of materials consumed**		
	Raw material and components consumed		
	Opening stock	**5,377.00**	5,539.18
	Add: Purchases	**36,279.95**	26,607.23
	Less: Captive consumption for utilisation as property, plant and equipment	**-**	95.34
	Less : Reversal of provision towards writedown in value of slow and non moving inventory	**(83.65)**	-
	Less: Closing stock (including in transit)	**6,315.01**	5,377.00
	Total	**35,258.29**	26,674.07
34	**Purchases of stock-in-trade**		
	Castor oil	**5,397.44**	1,552.64
	Fire fighting equipment	**133.76**	154.63
	Spares and others	**108.52**	50.66
	Total	**5,639.72**	1,757.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
35	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	At the beginning of the year		
	Work-in-progress	**3,139.02**	5,130.95
	Finished goods	**2,658.81**	1,678.52
	Stock-in-trade	**195.36**	81.11
		5,993.19	6,890.58
	At the end of the year		
	Work-in-progress	**3,522.49**	3,139.02
	Finished goods (including in transit)	**2,364.92**	2,658.81
	Stock-in-trade	**280.63**	195.36
		6,168.04	5,993.19
	Less : Reversal of provision towards writedown in value of slow and non moving inventory	**(232.07)**	-
	Total	**(406.92)**	897.39
36	**Employee benefits**		
	Salaries and wages	**2,396.45**	2,192.84
	Gratuity and compensated absences [Refer note 47]	**57.18**	42.03
	Contribution to provident and other funds [Refer note 47]	**146.43**	129.78
	Staff welfare expenses	**58.20**	52.86
	Total	**2,658.26**	2,417.51
37	**Finance costs**		
	Interest expenses on financial liabilities measured at amortised cost		
	- Borrowings	**1,634.55**	2,331.26
	- Lease liabilities [Refer note 52]	**57.29**	62.14
	Interest on delayed payment of statutory dues	**265.09**	157.67
	Other borrowing costs	**71.26**	77.26
	Total	**2,028.19**	2,628.33
38	**Other expenses**		
	Consumption of stores and spares	**1,180.92**	951.68
	Power and fuel	**3,289.71**	2,506.23
	Water charges	**44.93**	40.47
	Repairs and maintenance		
	- Building	**50.69**	34.99
	- Plant and equipment	**392.02**	280.74
	- Others	**57.75**	12.51
	Labour charges	**537.47**	403.17
	Lease rent	**26.18**	111.45
	Insurance	**109.66**	92.61
	Rates and taxes	**4,396.82**	2,360.92
	Payment to auditors [Refer note (i) below]	**67.97**	64.64
	Director sitting fees [Refer note 45]	**11.40**	10.50
	Commission to non-executive directors [Refer note 45]	**20.00**	15.00
	Expenditure towards corporate social responsibility [Refer notes 45 and 56]	**60.68**	15.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
	Legal and professional fees	359.27	387.53
	Net loss on property, plant and equipment sold/discarded	31.27	-
	Travelling and conveyance	104.97	231.14
	Security expenses	61.40	71.06
	Bad debts / advances write off [net of provision for doubtful receivables ₹ 163.69 lakhs (31 March 2020: ₹ 40.80 lakhs]	580.90	84.61
	Provision for doubtful debts [Refer note 43]	194.63	230.06
	Provision for diminution in value of investments [Refer note 6(i)]	13.31	-
	Bank charges and commission	130.81	151.82
	Packing and forwarding	208.15	175.18
	Carriage and freight	1,012.93	695.95
	Advertisement and sales promotion	154.56	81.86
	Commission on sales	189.81	98.11
	Miscellaneous expenses	476.37	432.61
	Total	**13,764.58**	9,540.53
(i)	**Payment to auditors (excluding taxes)**		
	As Auditors	66.50	60.50
	Certification fees	1.25	3.39
	Out of pocket expenses	0.22	0.75
	Total	**67.97**	64.64
39	**Exceptional items gain / (loss) (net)**		
	Profit on sale of subsidiary [Refer note 13(ii)]	409.83	-
	Provision for contingencies [Refer note 13(ii)]	(329.14)	-
	Provision for doubtful loan [Refer note 6(i)]	-	(371.42)
	Excess provision written back [Refer note below]	-	258.94
	Provision for impairment in property, plant and equipment [Refer note 2(v)]	(467.75)	-
	Profit on sale of asset held for sale [Refer note 20(ii)]	1,337.39	-
	Total	**950.33**	(112.48)

Note:

Exceptional item for the year ended 31 March 2020 includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items.

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
40	**Tax expense / (credit)**		
	Current tax on profits for the year	2,545.62	445.90
	Tax pertaining to earlier years	-	53.13
	(Increase) / Decrease in deferred tax assets (net)	3,048.54	506.00
	Total	**5,594.16**	1,005.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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:

(₹ in lakhs)

	Year Ended 31 March 2021	Year Ended 31 March 2020
Profit before tax	**15,870.18**	2,595.90
Current tax at the enacted rate of 34.944% (31 March 2020 : 34.944%)	**5,545.68**	907.11
Tax effect of the amounts which are not deductible / taxable in calculating taxable income		
Interest on delayed payment of statutory dues	**92.63**	55.10
Interest / penalties paid under indirect taxes	**102.71**	4.65
Expenses not allowable for tax purposes	**5.22**	9.58
Expenditure towards corporate social responsibility	**21.20**	5.48
Deductions under Income Tax Act, 1961	**(42.55)**	(30.94)
Book gain on sale of subsidiary on which no income tax is payable	**(143.21)**	-
Interest exempt from income tax	**-**	0.02
Tax pertaining to earlier years	**-**	53.13
Others	**13.00**	0.90
Total	**5,594.69**	1,005.03

(B) Deferred tax assets movement (net)

(₹ in lakhs)

	As at 31 March 2021	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 31 March 2020	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other comprehensive income	Adjustment through reserves	As at 01 April 2019
Deferred tax liability on account of:								
Depreciation and amortisation	**3,502.65**	**31.88**	**-**	**3,470.77**	(273.29)	-	-	3,744.06
Financial liabilities at amortised cost	**9.58**	**(1.47)**	**-**	**11.05**	(14.19)	-	-	25.24
Total	**3,512.23**	**30.41**	**-**	**3,481.82**	(287.48)	-	-	3,769.30
Deferred tax assets on account of:								
Transitional adjustment on adoption of Ind AS 116, 'Leases'	**45.88**	**(12.56)**	**-**	**58.44**	(8.70)	-	67.14	-
Provision for doubtful debts/ deposits/ advances	**1,183.21**	**(626.55)**	**-**	**1,809.76**	95.74	-	-	1,714.02
Employee benefits	**108.00**	**22.36**	**0.55**	**85.09**	(5.51)	0.10	-	90.50
Provision for sales returns	**10.37**	**2.48**	**-**	**7.89**	(0.01)	-	-	7.90
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)**	**-**	**3,465.84**	(1,409.81)	-	-	4,875.65
Minimum Alternate Tax credit entitlement	**4,387.59**	**2,420.35**	**-**	**1,967.24**	534.81	-	-	1,432.43
Total	**5,735.05**	**(3,018.13)**	**0.55**	**8,752.63**	(793.48)	0.10	67.14	9,478.87
Net movement [provision/(reversal)]		**3,048.54**	**(0.55)**		506.00	(0.10)		

(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 2021	As at 31 March 2020
Business loss	**93.36**	106.00
DTA on business loss	**32.62**	37.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

41 Other comprehensive income / (loss)

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Items that will not be reclassified to profit or loss		
Measurements of defined employee benefit plans (net of tax)	**(21.35)**	(5.26)
Fair value through other comprehensive income - equity investments (net of tax)	**22.34**	18.98
Total	**0.99**	13.72

42 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2021			As at 31 March 2020		
	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	**320.17**	**-**	**-**	297.83	-	-
Loans	**-**	**-**	**209.46**	-	-	208.94
Trade receivables	**-**	**-**	**932.12**	-	-	-
Other financial assets	**-**	**-**	**930.20**	-	-	23.52
Financial assets - current						
Trade receivables	**-**	**-**	**13,245.10**	-	-	8,869.98
Cash and cash equivalents	**-**	**-**	**5,300.83**	-	-	527.51
Bank balances other than cash and cash equivalents	**-**	**-**	**1,117.03**	-	-	1,355.15
Loans	**-**	**-**	**60.62**	-	-	100.24
Other financial assets	**-**	**-**	**359.79**	-	-	375.36
Financial liabilities - non-current						
Borrowings (including current maturities)	**-**	**-**	**6,247.56**	-	-	9,220.67
Lease liabilities	**-**	**-**	**386.63**	-	-	447.85
Security deposits	**-**	**-**	**25.05**	-	-	-
Financial Liabilities - current						
Borrowings	**-**	**-**	**5,382.78**	-	-	6,615.06
Trade payables	**-**	**-**	**13,399.14**	-	-	12,823.38
Other financial liabilities	**-**	**-**	**1,012.44**	-	-	2,132.66

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 as follows:

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 of 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 instruments are based on intrinsic value of the investee company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

III. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

	As at 31 March 2021			As at 31 March 2020		
	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	-	-	320.17	-	-	297.83

IV. Reconciliation of level 3 fair value measurement:

(₹ in lakhs)

	2020-21	2019-20
At the beginning of the year	297.83	278.85
Acquisitions	-	-
Disposals	-	-
Gain recognised in standalone statement of profit or loss	22.34	18.98
At the end of the year	320.17	297.83

V. Fair value of financial assets and liabilities measured at amortised cost, for which fair values are disclosed below:

(₹ in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Loans	209.46	209.46	208.94	208.94
Trade receivables	932.12	932.12	-	-
Other financial assets	930.20	859.36	23.52	23.52
Financial assets - current				
Trade receivables	13,245.10	13,245.10	8,869.98	8,869.98
Cash and cash equivalents	5,300.83	5,300.83	527.51	527.51
Bank balances other than cash and cash equivalents	1,117.03	1,117.03	1,355.15	1,355.15
Loans	60.62	60.62	100.24	100.24
Other financial assets	359.79	359.79	375.36	375.36
Financial liabilities - non-current				
Borrowings (including current maturities)	6,247.56	6,247.36	9,220.67	9,253.66
Lease liabilities	386.63	386.63	447.85	447.85
Security deposits	25.05	25.05	-	-
Financial liabilities - current				
Borrowings	5,382.78	5,382.78	6,615.06	6,615.06
Trade payables	13,399.14	13,399.14	12,823.38	12,823.38
Other financial liabilities	1,012.44	1,012.44	2,132.66	2,132.66

Note: (i) The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.

43 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 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 expectation 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.

a) Age of receivables that are past due:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
0-3 months	**12,945.15**	8,494.11
3-6 months	**688.74**	117.01
6-12 months	**565.64**	138.82
beyond 12 months	**877.59**	1,009.50
Total	**15,077.12**	9,759.44
Impairment allowance	**899.90**	889.46

b) Movement in impairment allowance:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Opening provision	**889.46**	717.86
Provision for doubtful debts	**194.63**	230.06
Provision written off	**(163.69)**	(40.80)
Excess provision written back	**(20.50)**	(17.66)
Closing provision	**899.90**	889.46

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 2021

Maturities of non – derivative financial liabilities

As at 31 March 2021 (₹ in lakhs)

	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial liabilities - non-current				
Borrowings (including current maturities)	609.61	5,637.95	-	6,247.56
Lease liabilities (including current maturities)	213.95	172.68	-	386.63
Security deposits	-	-	25.05	25.05
Financial liabilities - current				
Borrowings	5,382.78	-	-	5,382.78
Trade payables	13,399.14	-	-	13,399.14
Other financial liabilities	1,012.44	-	-	1,012.44
Total	**20,617.92**	**5,810.63**	**25.05**	**26,453.60**

As at 31 March 2020 (₹ in lakhs)

	Within 1 year	1 - 5 years	Greater than 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

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, EUR and CNY.

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 partly 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 2021					As at 31 March 2020			
	USD	Thai Baht	AED	EUR	CNY	USD	Thai Baht	AED	EUR
Financial liabilities									
Trade payables	9,548.74	-	289.38	82.23	-	9,245.54	-	327.04	79.69
Liability towards repayment of advances received from customer	-	-	-	-	-	1,355.41	-	-	-
Financial assets - current									
Trade receivables	336.49	-	-	150.04	-	320.23	-	-	207.25
Investment in equity shares of a subsidiary	-	1,503.77	-	-	-	5,796.87	1,503.77	-	-
Bank balances	29.26	-	52.31	-	-	43.91	-	84.66	-
Financial assets - non-current									
Other non-current financial assets	-	-	-	-	579.07	-	-	-	-
Net exposure to foreign currency assets / (liabilities)	(9,182.99)	1,503.77	(237.07)	67.81	579.07	(4,439.94)	1,503.77	(242.38)	127.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, Thai Baht, AED, EUR and CNY 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 2021		31 March 2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(459.15)	459.15	(222.00)	222.00
Thai Baht	75.19	(75.19)	75.19	(75.19)
AED	(11.85)	11.85	(12.12)	12.12
CNY	28.95	(28.95)	-	-
EUR	3.39	(3.39)	6.38	(6.38)

(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 2021	As at 31 March 2020
Variable rate borrowings	5,754.17	6,301.19
Fixed rate borrowings	5,876.17	9,534.54
Total	11,630.34	15,835.73

Sensitivity analysis

(₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Increase by 70 basis points	(40.28)	(44.11)
Decrease by 70 basis points	40.28	44.11

(iii) Price Risk

The Company is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income.

(₹ in lakhs)

Sensitivity	31 March 2021	31 March 2020
Impact on other comprehensive income after tax for 5% increase in share price	16.01	14.89
Impact on other comprehensive income after tax for 5% decrease in share price	(16.01)	(14.89)

44 Capital Management

(i) 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.

The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Gross debt	11,630.34	15,835.73
Less: Cash and bank balances	(6,417.86)	(1,882.66)
Net debt (A)	5,212.48	13,953.07
Equity (B)	36,958.67	26,681.66
Gearing ratio (A / B)	14.10%	52.29%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(ii) Loan covenants

Working capital facilities from banks contain certain debt covenants which are required to be complied with. As of the reporting date, the Company is in compliance with those performance linked financial covenants.

(iii) Dividends

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Dividends not recognised at the end of the reporting period The Board of Directors have recommended a final dividend of ₹ 0.30 per equity share (face value of ₹ 2 each) for the year ended 31 March 2021, subject to necessary approval by the members in the ensuing Annual General Meeting of the Company.	**336.62**	-

45 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., Limited (upto 31 December 2020) EKC International FZE EKC Industries (Thailand) Co., Limited Calcutta Compressions and Liquefaction Engineering Limited EKC Positron Gas Limited (upto 10 July 2020) 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 Mr. M N Sudhindra Rao Ms. Uma Acharya Dr. Vaijayanti 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 Ms. Bhagyashree Kanekar - Company Secretary
Relatives of Key Management Personnel (with whom transactions have taken place during the year)	Ms. Suman Khurana

(ii) Transactions with related parties during the year:

(₹ 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 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Sale of goods:										
EKC International FZE	**395.77**	172.31	**-**	-	**-**	-	**-**	-	**-**	-
EKC Europe GmbH	**-**	-	**-**	568.53	**-**	-	**-**	-	**-**	-
Medical Engineers (India) Limited	**-**	-	**-**	-	**1,365.47**	862.99	**-**	-	**-**	-
Calcutta Compressions and Liquefaction Engineering Limited	**-**	4.52	**-**	-	**-**	-	**-**	-	**-**	-
Sale of consumables, stores and spares										
EKC International FZE	**117.69**	56.93	**-**	-	**-**	-	**-**	-	**-**	-
Calcutta Compressions and Liquefaction Engineering Limited	**-**	0.22	**-**	-	**-**	-	**-**	-	**-**	-
Sale of property, plant and equipment										
Calcutta Compressions and Liquefaction Engineering Limited	**4.73**	-	**-**	-	**-**	-	**-**	-	**-**	-
Purchase of raw materials and traded goods										
EKC International FZE	**238.01**	-	**-**	-	**-**	-	**-**	-	**-**	-
EKC Industries (Tianjin) Co., Ltd	**-**	156.80	**-**	-	**-**	-	**-**	-	**-**	-
Medical Engineers (India) Limited	**-**	-	**-**	-	**-**	1.45	**-**	-	**-**	-
Calcutta Compressions and Liquefaction Engineering Limited	**54.80**	-	**-**	-	**-**	-	**-**	-	**-**	-
Purchase of consumables										
Medical Engineers (India) Limited	**-**	-	**-**	-	**-**	3.90	**-**	-	**-**	-
Purchase of property, plant and equipment										
EKC Industries (Tianjin) Co., Ltd	**-**	1,337.51	**-**	-	**-**	-	**-**	-	**-**	-
Calcutta Compressions and Liquefaction Engineering Limited	**33.63**	-	**-**	-	**-**	-	**-**	-	**-**	-
Remuneration										
Mr. Prem Kumar Khurana	**-**	-	**-**	-	**-**	-	**-**	71.70	**-**	-
Mr. Puneet Khurana	**-**	-	**-**	-	**-**	-	**213.73**	226.54	**-**	-
Ms. Bhagyashree Kanekar	**-**	-	**-**	-	**-**	-	**10.09**	9.03	**-**	-
Mr. Sanjiv Kapur	**-**	-	**-**	-	**-**	-	**60.31**	63.93	**-**	-
Ms. Suman Khurana	**-**	-	**-**	-	**-**	-	**-**	-	**30.00**	11.42
Sitting fees										
Mr. Ghanshyam Karkera	**-**	-	**-**	-	**3.15**	3.75	**-**	-	**-**	-
Ms. Uma Acharya	**-**	-	**-**	-	**3.45**	3.90	**-**	-	**-**	-
Mr. M N Sudhindra Rao	**-**	-	**-**	-	**3.00**	2.85	**-**	-	**-**	-
Dr. Vaijayanti Pandit	**-**	-	**-**	-	**1.80**	-	**-**	-	**-**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Commission to non-executive directors										
Ms. Uma Acharya	-	-	-	-	5.00	5.00	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	5.00	5.00	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	5.00	5.00	-	-	-	-
Dr. Vaijayanti Pandit	-	-	-	-	5.00	-	-	-	-	-
Rent expenses										
Khurana Fabrication Industries Private Limited	-	-	-	-	18.34	16.63	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	45.36	45.36	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	15.86	14.38	-	-	-	-
Mr. Prem Kumar Khurana	-	-	-	-	-	-	-	2.70	-	-
Mr. Pushkar Khurana	-	-	-	-	-	2.70	3.60	0.90	-	-
Other expenses	-	-	-	-	8.31	7.50	-	-	-	-
Expenditure towards corporate social responsibility										
Khurana Charitable Trust	-	-	-	-	-	15.69	-	-	-	-
Reimbursement of expenses										
EKC International FZE	-	1.69	-	-	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	36.60	0.02	-	-	-	-	-	-	-	-
EKC Europe GmbH	-	-	36.09	9.32	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	-	1.23	-	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	2.52	-	-	-
Commission income										
EKC International FZE	25.83	23.32	-	-	-	-	-	-	-	-
Lease rent income										
Calcutta Compressions and Liquefaction Engineering Limited	-	64.53	-	-	-	-	-	-	-	-
Interest expenses										
Khurana Gases Private Limited	-	-	-	-	160.98	149.62	-	-	-	-
Everest Kanto Investment and Finance Private Limited	-	-	-	-	442.90	429.96	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	33.89	29.28	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	0.84	0.84	-	-	-	-

(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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Provision for doubtful loan										
Calcutta Compressions and Liquefaction Engineering Limited	-	371.42	-	-	-	-	-	-	-	-
Fair valuation of financial guarantee given on behalf of subsidiary										
EKC International FZE	4.52	5.83	-	-	-	-	-	-	-	-
Sale of non-factory building										
Mr. Pushkar Khurana	-	-	-	-	-	-	1,350.00	-	-	-
Refund of excess advance received against sale of property, plant and equipment										
Mr. Pushkar Khurana	-	-	-	-	62.63	15.37	-	-	-	-
Loans repaid during the year										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	80.06	102.73	-	-	-	-
Loans taken during the year										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	360.25	216.00	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	87.00	98.50	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	34.00	79.95	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	-	7.00	-	-	-	-
Investments in equity shares during the year										
Calcutta Compressions and Liquefaction Engineering Limited	13.31	-	-	-	-	-	-	-	-	-
Netting off trade payables against advance given to suppliers on receipt of regulatory approvals										
EKC Industries (Tianjin) Co., Ltd	-	3,301.23	-	-	-	-	-	-	-	-
Write-off of interest receivable										
EKC Industries (Tianjin) Co., Ltd	2,297.23	-	-	-	-	-	-	-	-	-
Write-off of rent receivable										
Calcutta Compressions and Liquefaction Engineering Limited	21.22	-	-	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(iii) Balances of related parties

(₹ 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 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Payables (Trade payables and other liabilities)										
EKC International FZE	**8,593.28**	8,810.25	-	-	-	-	-	-	-	-
EKC Industries (Tianjin) Co.,Ltd	-	39.97	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	**16.88**	1,372.72	-	-	-	-	-	-
EKC Europe GmbH	-	-	**33.80**	32.60	-	-	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	**5.94**	9.06	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	**28.73**	5.78	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	**28.25**	9.97	-	-	-	-
Medical Engineers (India) Ltd	**0.88**	-	-	-	-	-	-	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	**15.00**	8.65	-	-
Mr. Pushkar Khurana	-	-	-	-	-	-	**3.33**	-	-	-
Ms. Bhagyashree Kanekar	-	-	-	-	-	-	**0.85**	0.77	-	-
Mr. Sanjiv Kapur	-	-	-	-	-	-	**5.14**	5.14	-	-
Ms. Uma Acharya	-	-	-	-	**4.50**	5.20	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	**4.50**	4.90	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	**4.50**	5.05	-	-	-	-
Dr. Vaijayanti Pandit	-	-	-	-	**4.50**	-	-	-	-	-
Ms. Suman Khurana	-	-	-	-	-	-	-	-	**2.50**	2.50
Loans given										
EKC Industries (Tianjin) Co.,Ltd [Net of provision ₹ Nil (31 March 2020: ₹ Nil)]	-	2,297.23	-	-	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Ltd * [Net of provision ₹ Nil (31 March 2020: ₹ Nil)]	**582.73**	582.73	-	-	-	-	-	-	-	-
Advance given to suppliers and other advances										
EKC Positron Gas Ltd.	**0.60**	-	-	-	-	-	-	-	-	-
EKC Industries (Thailand) Co., Ltd.	**4.64**	4.64	-	-	-	-	-	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	**0.15**	1.62	-	-
Advance received towards sale of property, plant and equipment										
Mr. Pushkar Khurana	-	-	-	-	-	1,412.63	-	-	-	-
Advance received from customers										
EKC International FZE	257.81	324.00	-	-	-	-	-	-	-	-

(iii) Balances of related parties (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	
	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
Medical Engineers (India) Limited	-	-	-	-	185.07	435.06	-	-	-	-
EKC Industries (Thailand) Co., Ltd	**939.93**	897.25	-	-	-	-	-	-	-	-
Loans taken										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	**3,999.00**	3,716.67	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	**1,405.48**	1,327.29	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	**310.13**	275.06	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	**7.19**	7.19	-	-	-	-
Receivables										
EKC International FZE	**207.66**	163.53	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	**17.92**	18.37	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	**535.31**	556.53	-	-	-	-	-	-	-	-
EKC Europe GmbH	-	-	**150.04**	326.73	-	-	-	-	-	-
EKC Positron Gas Ltd	**0.61**	-	-	-	-	-	-	-	-	-
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 guarantee outstanding on behalf of subsidiary										
EKC International FZE	-	4,227.84	-	-	-	-	-	-	-	-

Notes :

(a) Foreign currency balances are restated at year end rates.

(b) 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.

(c) Personal guarantees given to banks for term loans and working capital loans with sanctioned limit of ₹ 8,040 lakhs as at 31 March 2021 (₹ 40,000 lakhs as at 31 March 2020) by promoter directors (including their estate, effects, heirs, legal representatives and assigns, as applicable) against which ₹ 5,293.91 lakhs was outstanding as at 31 March 2021 (₹ 7,917.15 lakhs as at 31 March 2020).

(d) Assets pledged to a bank for a working capital loan with sanctioned limit of ₹ 2,000 lakhs as at 31 March 2021 (₹ 2,000 lakhs as at 31 March 2020) by promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies against which ₹ Nil was outstanding as at 31 March 2021 (₹ 1,809.80 lakhs as at 31 March 2020). Further, assets pledged to a bank for a term loan with sanctioned limit of ₹ 32,500 lakhs as at 31 March 2021 (₹ 32,500 lakhs as at 31 March 2020) by promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) against which ₹ Nil was outstanding as at 31 March 2021 (₹ 3,805.51 lakhs as at 31 March 2020). Refer note 28(ii).

(e) The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 30 June 2022 (31 March 2020: till 30 June 2021) to enable it to meet its day to day obligations/commitments; to the extent this entity may be unable to meet its obligations.

(f) Equity investments by the Company are not considered for disclosure as these are not considered 'outstanding' exposure. Refer note 6 and 13 for the same.

(g) Corporate guarantee provided to the lender of the subsidiary is for availing working capital facility from the lender bank.

(h) Also refer note 6(i).

(i) Also refer note 44 (iii).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Compensation to Key Managerial Personnel*

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	**264.33**	349.54
Post-employment benefits	**19.80**	21.66
Total compensation	**284.13**	371.20

* The aforesaid amounts do not include amount in respect of gratuity and compensated absences as the same is not determinable.

46 Contingent liabilities, Capital and other commitments

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
(a)	Contingent liabilities:		
(i)	Income tax matters under dispute	**693.69**	693.69
(ii)	Lease tax	**13.69**	13.69
(iii)	Sales tax and Value Added Tax	**1,190.85**	1,190.85
(iv)	Excise duty	**293.07**	53.81
(v)	Non compliance with FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16 (31 March 2020: 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 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.	**Amount not determinable**	Amount not determinable
(vii)	Company's liabilities/obligations pertaining to the period upto the date of transfer of investment in EKC Industries (Tianjin) Co., Ltd. [Refer note 13(ii)]	**Amount not determinable**	-
(viii)	Claims against Company not acknowledged as debts	**50.75**	50.75
(ix)	Corporate guarantees given on behalf of a subsidiary	**4,900.08**	4,900.08
	Amount outstanding on behalf of corporate guarantee	**-**	4,227.84
	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		
(b)	Bonds executed in favour of government authorities*	**168.97**	196.20
	*Bonds / undertakings given by the Company under concessional duty / exemption schemes to government authorities (net of obligations fulfilled)		
(c)	Commitments		
(i)	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**581.78**	-
(ii)	Uncalled amount of partly paid equity shares of a subsidiary company	**176.96**	128.56
(iii)	The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 30 June 2022 (31 March 2020: till 30 June 2021) to enable it to meet its day to day obligations / commitments; to the extent this entity may be unable to meet its obligations		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

47 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 2021	Year ended 31 March 2020
Employer contribution to provident fund	**144.26**	126.28
Employer contribution to employees state insurance scheme	**0.43**	0.60
Employer contribution to labour welfare fund	**1.74**	2.90
Total	**146.43**	129.78

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 2021	Year ended 31 March 2020
(i)	**Actuarial assumptions**		
	Mortality table	**IALM (2012-14) ult**	IALM (2012-14) ult
	Discount rate (%) (per annum)	**6.55%**	6.35%
	Rate of increase in compensation (%) (per annum)	**0%-6%**	0%-6%
	Withdrawal rate (%) (per annum)		
	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	**284.83**	260.54
	Interest expense	**17.26**	18.55
	Current service cost	**35.96**	26.15
	Actuarial loss	**20.83**	0.26
	Benefits paid	**(11.44)**	(20.67)
	Present value of obligation at the end of the year	**347.44**	284.83
(iv)	**Changes in the fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**206.86**	144.51
	Interest income	**13.58**	11.35
	Contributions	**0.96**	72.72
	Benefits paid	**(11.44)**	(20.67)
	Actuarial loss	**(1.07)**	(1.05)
	Fair value of plan assets at the end of the year	**208.89**	206.86
(v)	**Assets and liabilities recognised in the Standalone Balance Sheet**		
	Present value of the defined benefit obligation at the end of the year	**347.44**	284.83
	Less: Fair value of plan assets at the end of the year	**(208.89)**	(206.86)
	Net liability recognised	**138.55**	77.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
	Recognised under provisions		
	Current provisions	-	-
	Non-current provisions	**138.55**	77.97
(vi)	**Expenses recognised in the Standalone Statement of Profit and Loss**		
	Current service cost	**35.96**	26.15
	Net interest expense	**3.68**	7.20
	Net gratuity cost recognised during the year	**39.64**	33.35
	Included in note 36 'Employee benefits expense'		
(vii)	**Expenses recognised in Other comprehensive income / (loss)**		
	Actuarial loss on measurements of defined employee benefit plans	**21.90**	1.31
	Total remeasurement cost for the year recognised in Other comprehensive income / (loss)	**21.90**	1.31
(viii)	**Reconciliation of net asset / (liability) recognised:**		
	Net asset/(liability) recognised at the beginning of the period	**(77.97)**	(116.03)
	Company contributions	**0.96**	72.72
	Benefits paid directly by Company	**-**	-
	Actuarial gain / (loss)	**(21.90)**	(1.31)
	Expenses recognised at the end of period	**(39.64)**	(33.35)
	Net asset / (liability) recognised at the end of the period	**(138.55)**	(77.97)

(ix) Sensitivity Analysis:

	Particulars	As at 31 March 2021		As at 31 March 2020	
		Decrease	Increase	Decrease	Increase
	Impact of increase in 50 bps on DBO (discount rate)	**3.84%**	**-**	4.12%	-
	Impact of decrease in 50 bps on DBO (discount rate)	**-**	**4.12%**	-	4.42%
	Impact of increase in 50 bps on DBO (salary escalation rate)	**-**	**4.00%**	-	4.28%
	Impact of decrease in 50 bps on DBO (salary escalation rate)	**3.76%**	**-**	4.02%	-

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 2021	Year ended 31 March 2020
Active members	**599**	561

• 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 2021-22 (2020-21 : ₹ 40 lakhs) for gratuity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(xi) **Maturity analysis of projected benefit obligation:**

(₹ in lakhs)

Year	Year ended 31 March 2021	Year ended 31 March 2020
1	**55.08**	26.12
2	**22.88**	34.07
3	**34.70**	19.04
4	**23.51**	28.02
5	**36.70**	19.42
6	**27.77**	30.60
7	**33.54**	22.41
8	**37.25**	29.02
9	**29.26**	30.24
10 and above	**362.34**	312.82

(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 2021 is ₹ 17.54 lakhs (31 March 2020: ₹ 8.68 lakhs)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Current provisions	**19.54**	14.85
Non-current provisions	**90.30**	77.45
Total	**109.84**	92.30

48 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.

49 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 extinguishment and related equipment and castor oil.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 fighting equipment and castor oil. The Company recognises 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 as net margin of such sale. (Refer notes 19 and 30).

Disaggregation of revenue

(a) Revenue based on geography

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Within India	**69,557.36**	46,607.21
Outside India	**5,505.35**	2,347.42
Total	**75,062.71**	48,954.63

(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Cylinders	**68,583.38**	46,667.52
Castor oil	**5,311.22**	1,451.60
Fire fighting equipment	**251.54**	231.06
Others	**916.57**	604.45
Total	**75,062.71**	48,954.63

(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognition at a point in time	**75,062.71**	48,954.63
Revenue recognition over period of time	**-**	-
Total	**75,062.71**	48,954.63

(d) Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss with the contracted price

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per contracted price	**75,101.51**	49,008.05
Sales return	**38.80**	53.42
Revenue from contract with customers	**75,062.71**	48,954.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Contract balances

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Trade receivables [net of provision for doubtful debts of ₹ 899.90 lakhs) 31 March 2020: ₹ 889.46 lakhs)]	**15,077.12**	9,759.44
Contract liabilities from contracts with customers	**2,903.06**	2,946.85

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.

50 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
Net Profit after tax attributable to equity share holders (₹ In lakhs)	**10,276.02**	1,590.87
Weighted average number of equity shares outstanding during the year (numbers)	**112,207,682**	112,207,682
Basic and diluted earnings per share (₹)	**9.16**	1.42
Face value per share (₹)	**2.00**	2.00

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2021 and 31 March 2020. Consequently, basic and diluted earnings per share of the Company remains the same.

51 Assets pledged as security

The carrying amount of assets pledged as security are as under:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Non-current assets		
Property, plant and equipment	**16,812.59**	19,443.98
Capital work-in-progress	**3,457.16**	1,504.98
Investment Property	**1,114.53**	-
Intangible assets	**26.16**	20.48
Trade receivables	**932.12**	-
Current assets		
Financial assets		
Trade receivables	**13,245.10**	8,869.98
Cash and cash equivalents	**5,300.83**	527.51
Bank balances other than cash and cash equivalents	**1,117.03**	1,355.15
Loans	**60.62**	100.24
Other financial assets	**359.79**	375.36
Non financial assets		
Inventories	**12,278.98**	10,858.59
Other current assets	**3,978.47**	1,615.04
Assets classified as held for sale	**273.85**	1,834.94
Total assets pledged as security	**58,957.23**	46,506.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

52 Ind AS 116, 'Leases'

The Company's leased assets primarily consist of leases for land, 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.

The maturity analysis of lease liabilities are disclosed in note 43(B).

The Company has accrued ₹ 26.18 lakhs as lease rent expenses during the year ended 31 March 2021 (₹ 111.45 lakhs during the year ended 31 March 2020) which pertains to short-term leases / low value assets (Refer note 38).

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 Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Leasehold land	**96.62**	97.91
Buildings	**254.97**	280.74
	351.59	378.65
Lease liabilities		
Current	**213.95**	174.21
Non-current	**172.68**	273.64
	386.63	447.85

Amounts recognised in Standalone Statement of Profit and Loss

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Depreciation/ Amortisation charge on Right-of-use assets		
Leasehold land	**1.29**	1.29
Buildings	**160.03**	129.86
	161.32	131.15
Interest expense included in finance cost	**57.29**	62.14
Expense relating to short-term leases	**26.18**	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)	**252.77**	217.00
Additions to the Right-of-use assets during the current financial year	**134.26**	11.71

The movement in lease liabilities is as follows:

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	**447.85**	-
Adjustment on transition to Ind AS 116 (Refer note 52)	**-**	591.00
Additions to the Right-of-use assets during the year	**134.26**	11.71
Interest expense included in finance cost	**57.29**	62.14
Payment of lease obligations	**(252.77)**	(217.00)
Lease liabilities	**386.63**	447.85
Current	**213.95**	174.21
Non-current	**172.68**	273.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Less than 1 year	**246.45**	216.74
1-5 years	**188.07**	299.15
More than 5 years	**-**	-
	434.52	515.89

53 **Net debt reconciliation**

Reconciliation of non-cash and cash flow changes in financing activities.

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	**5,300.83**	527.51
Non-current borrowings (including current maturities)	**(6,247.56)**	(9,220.67)
Current borrowings	**(5,382.78)**	(6,615.06)
Lease liabilities (including current maturities)	**(386.63)**	(447.85)
Net debt	**(6,716.14)**	(15,756.07)

(₹ in lakhs)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Total
Net Debt as at 1 April 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 52)	-	-	-	(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)**
Cash flows	4,773.32	2,959.48	1,170.30	195.48	9,098.58
Lease addition	-	-	-	(134.26)	(134.26)
Interest expense	-	(991.47)	(959.12)	(57.29)	(2,007.88)
Interest paid	-	1,025.41	1,021.10	57.29	2,103.80
Non cash adjustment					
Amortisation of loan processing fee	-	(20.31)	-	-	(20.31)
Net Debt as at 31 March 2021	**5,300.83**	**(6,247.56)**	**(5,382.78)**	**(386.63)**	**(6,716.14)**

54 The outstanding balances as at 31 March 2021 include trade payables aggregating ₹ 8,728.06 lakhs and trade receivables aggregating ₹ 152.09 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 statements, and accordingly, the accompanying standalone financial statements do not include any adjustments that may arise due to such delay/default.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

55 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 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, 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 statements, which may differ from impact considered as at the date of approval of these standalone financials statements. 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.

56 **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 2021	Year ended 31 March 2020
Average net profit of the Company as per Section 198 of the Companies Act, 2013 three immediately preceding financial years	**2,979.58**	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)	**59.59**	12.56
Amount spent by the Company during the year (Refer note 45)	**60.68**	15.69
(i) Construction / acquisition of an asset	**-**	-
(ii) On purpose other than (i) above*	**60.68**	15.69
Amount unspent / (excess spent)	**(1.09)**	(3.13)

* The aforesaid payments were 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 had remained unspent by Khurana Charitable Trust as at 31 March 2020. These amounts are spent by Khurana Charitable Trust during the year ended 31 March 2021.

57 The standalone financial statements were authorised for issue by the Board of Directors on 24 June 2021.

As per our report of even date attached

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

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

Everest Kanto Cylinder Limited
FY 2020-21

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 (Thailand) Co. Ltd.	Next Gen Cylinder Pvt. Ltd.	Calcutta Compressions & Liquefaction Engineering 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	NA	NA	NA	NA	NA	NA	NA
2	Reporting currency	AED	THB	INR	INR	USD	USD	Euro
3	Exchange rate as on 31.03.2021	1 AED = 19.9335	1 THB = 2.3376	NA	NA	1 USD = 73.5047	1 USD = 73.5047	1 EURO = 86.099
4	Share capital	3,429.28	2,337.63	10.00	486.64	5,651.89	6,615.42	21.52
5	Reserves & surplus	52,242.23	(186.53)	(0.42)	(1,849.93)	(5,774.01)	(20,923.80)	(378.20)
6	Share Application Money	-	-	-	-	-	-	-
7	Total assets	63,358.44	2,162.31	9.78	134.21	9,776.16	21,375.89	556.85
8	Total Liabilities	63,358.44	2,162.31	9.78	134.21	9,776.16	21,375.89	556.85
9	Investments	5,657.83	-	-	-	6,615.42	-	-
10	Turnover	11,774.86	18.09	-	60.22	220.43	8,905.86	1,778.83
11	Profit/ (Loss) before taxation	(4,515.41)	(4.43)	(0.20)	(132.88)	193.13	(4,433.65)	0.40
12	Provision for taxation	-	-	-	-	8.80	(41.79)	-
13	Profit/ (Loss) after taxation	(4,515.41)	(4.43)	(0.20)	(132.88)	184.33	(4,391.86)	0.40
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100.00%	100.00%	100.00%	100.00%	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'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, 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 audited 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 as at 31 March 2021, 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 and receipt in foreign currency trade receivables aggregating ₹ 8,728.06 lakhs and ₹ 152.09 lakhs, respectively, that are outstanding as at 31 March 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 consolidated financial statements. Accordingly, the accompanying consolidated financial statements do not include any consequential adjustments with respect to such delays/defaults. Our opinion 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 consolidated 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
Assessment of recoverable value of idle property, plant and equipment Refer notes 2 and 3 to the accompanying consolidated financial statements. As at 31 March 2021, the net carrying amount of certain idle property, plant and equipment is ₹ 3,823.74 lakhs. The said assets have remained idle for a considerable period due to demand contraction for certain products. Therefore, management has considered it to be an indicator of possible impairment in the carrying value of the assets. Further, assets aggregating ₹ 1,548.48 lakhs which were earlier held for sale, have been reclassified from 'Assets classified as held for sale' to 'Capital work-in-progress' as on 31 March 2021, as they have been planned to be used in the near future. Such reclassification have been done in accordance with the requirements of Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations ('Ind AS 105') which requires determination of the recoverable value of such assets on the date of the subsequent decision to not sell such assets. Accordingly, the management, with the help of an independent valuer, has estimated the recoverable amount of the aforesaid idle property, plant and equipment and reclassified capital work-in-progress using 'Depreciated Replacement cost valuation method', under the cost approach, which is a complex exercise, and involves the use of significant estimates and assumptions that are dependent on expected future market conditions. As per assessment done by the management, the carrying value of the said capital work-in-progress was impaired by ₹ 467.75 lakhs which was recognised in the accompanying consolidated financial statements in accordance with Ind AS 105 as disclosed in note 3. Considering the materiality of the amounts involved, the significant judgement required in estimating the quantum of impairment in the value of the said property, plant and equipment and capital work-in-progress, and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.	**Our procedures included, but were not limited to the following:** • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment and reclassification of assets from 'held for sale' to 'capital work-in-progress' in accordance with the requirements of Ind AS 105, and around valuation of the property, plant and equipment and capital work-in-progress to determine their recoverable values; • Obtained evidence of the subsequent decision taken by the management to use the property, plant and equipment earlier classified as 'held for sale' and evaluated its feasibility basis our understanding of the business and future management plans; • Assessed the appropriateness of methodology and valuation method used by the management's valuation specialist to estimate the recoverable value of the property, plant and equipment and capital work-in-progress using expertise of an auditor's valuation specialist; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management; • Assessed the reasonableness of estimates including estimation of expected useful lives of property, plant and equipment and key assumptions including salvage value and cost of disposal used by the management's valuation specialist in estimating the recoverable value of property, plant and equipment and capital work-in-progress and performed sensitivity analysis on such key assumptions using the expertise of auditor's valuation specialist; • Tested the arithmetical calculations in the management's computation; and • Evaluated the adequacy of disclosures in respect of impairment of the said property, plant and equipment and capital work-in-progress in the consolidated financial statements.

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.

Inventories Work-in-progress inventory per CP Industries Holdings, Inc. inventory reporting system continues to report differences across their financial reporting systems at 31 March 2021 resulting in further delays in our audit as a result of the difficulty and time spent reconciling the reports.	• We requested CP Industries Holdings, Inc. to reconcile the inventory reporting system to the general ledger. We also requested evidence of the reconciliation between reports which was successfully provided. • We requested CP Industries Holdings, Inc. to conduct a slow-moving/obsolete inventory review and to provide us with

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 2020 was still applicable and there were no changes to this analysis warranted.	memorandums detailing their review of these items and conclusion that no additional reserves for slow moving or obsolete inventory were required. We then discussed the memorandums with CP Industries Holdings, Inc. and performed audit testing on the specific items included in the memorandums. Based upon the further analysis an additional ₹ 219.37 lakhs (USD 2.91 lakhs) inventory reserve was recorded. 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 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 financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding 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 consolidated 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/management of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors/management of the companies included in the Group are also responsible for overseeing the financial reporting process of the companies included in the Group.

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 consolidated 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 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 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, 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/branch balances / transactions) reflects total assets of ₹ 103,639.01 lakhs and net assets of ₹ 42,513.25 lakhs as at 31 March 2021, total revenues of ₹ 20,656.65 lakhs and net cash outflows amounting to ₹ 535.72 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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/financial information of such subsidiaries and branch 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 and branch 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) reflect total assets of ₹ 556.85 lakhs and net assets of ₹ (356.68) lakhs as at 31 March 2021, total revenues of ₹ 1,778.83 lakhs and net cash inflows amounting to ₹ 30.01 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and has 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 our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is 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 above, on separate financial statements of the subsidiaries and the branch, 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 has 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 2021 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:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 44 to the consolidated financial statements;

   ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, covered under the Act, during the year ended 31 March 2021;

   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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 21106815AAAACD1826

Place: Mumbai
Date: 24 June 2021

Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiary companies

- EKC Industries (Tianjin) Co., Ltd (upto 31 December 2020)
- 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 (upto 10 July 2020)
- Next Gen Cylinder Private Limited

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 2021

Independent Auditor's Report on the Internal Financial Controls with reference to 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') as at and for the year ended 31 March 2021, 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 respective companies 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 respective 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 Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 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 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 financial statements and such controls were operating effectively as at 31 March 2021, 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 ₹ 147.95 lakhs and net assets of ₹ (1,353.71) lakhs as at 31 March 2021, total revenues of ₹ 35.30 lakhs and net cash outflows amounting to ₹ 6.88 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to 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 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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815

UDIN: 21106815AAAACD1826

Place: Mumbai
Date: 24 June 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

		Note No.	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
I	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	2	**30,062.36**	33,774.48
	Capital work-in-progress	3	**4,635.93**	2,630.72
	Investment Property	4	**1,114.53**	-
	Intangible assets	5	**72.46**	88.97
	Financial assets			
	Investments	6	**320.17**	297.83
	Trade receivables	7A	**932.12**	-
	Loans	8	**252.58**	252.89
	Other financial assets	9	**1,409.14**	23.52
	Deferred tax assets (net)	10	**2,239.66**	5,291.98
	Current tax assets (net)		**103.25**	467.07
	Other non-current assets	11	**2,207.12**	1,675.07
			43,349.32	44,502.53
2	**Current assets**			
	Inventories	12	**29,895.10**	30,279.23
	Financial assets			
	Trade receivables	7B	**16,319.09**	11,837.87
	Cash and cash equivalents	13	**5,747.99**	1,560.39
	Bank balances other than cash and cash equivalents	14	**1,275.10**	2,287.80
	Loans	15	**63.30**	207.63
	Other financial assets	16	**367.64**	425.98
	Other current assets	17	**7,332.67**	4,389.48
			61,000.89	50,988.38
	Assets classified as held for sale	18	**273.85**	8,376.00
	TOTAL ASSETS		**104,624.06**	103,866.91
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity share capital	19	**2,244.15**	2,244.15
	Other equity	20	**60,582.22**	51,602.04
	Equity attributable to owners		**62,826.37**	53,846.19
	Non-controlling interests		**-**	(75.00)
	Total equity		**62,826.37**	53,771.19
2	**Liabilities**			
(i)	**Non-current liabilities**			
	Financial liabilities			
	Borrowings	21	**5,684.61**	5,256.92
	Other financial liabilities	22	**1,316.23**	1,607.77
	Provisions	23	**2,057.67**	2,452.82
			9,058.51	9,317.51
(ii)	**Current liabilities**			
	Financial liabilities			
	Borrowings	24	**11,267.84**	18,251.51
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	25	**239.50**	437.92
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**6,935.92**	6,378.40
	Other financial liabilities	26	**6,182.90**	8,122.23
	Other current liabilities	27	**6,975.95**	6,719.90
	Provisions	28	**1,137.07**	532.16
	Current tax liabilities (net)		**-**	16.90
			32,739.18	40,459.02
	Liabilities directly associated with assets classified as held for sale		**-**	319.19
	TOTAL EQUITY AND LIABILITIES		**104,624.06**	103,866.91
	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 Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note No.	Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
Continuing operations			
Revenue from operations	29	**94,912.99**	76,051.51
Other income	30	**338.42**	668.49
Total Income		**95,251.41**	76,720.00
Expenses:			
Cost of materials consumed	31	**45,097.45**	37,563.65
Purchases of stock-in-trade	32	**5,810.73**	2,152.34
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	**(1,619.53)**	2,315.16
Employee benefits expense	34	**8,690.97**	8,322.90
Finance costs	35	**2,615.28**	3,585.52
Depreciation and amortisation	5A	**3,536.04**	4,334.30
Other Expenses	36	**20,564.63**	16,162.16
Total Expenses		**84,695.57**	74,436.03
Profit before foreign exchange variation gain / (loss), share of profit / (loss) of joint venture, exceptional items and tax		**10,555.84**	2,283.97
Foreign exchange variation gain / (loss)		**906.76**	(702.86)
Profit before share of profit / (loss) of joint venture, exceptional items and tax		**11,462.60**	1,581.11
Share of profit / (loss) of joint venture		**-**	-
Profit before exceptional items and tax		**11,462.60**	1,581.11
Exceptional items gain / (loss) (net)	37	**3,258.91**	118.94
Profit before tax from continuing operations		**14,721.51**	1,700.05
Tax expense / (credit)			
Current tax	38	**2,511.62**	535.55
Deferred tax		**3,052.87**	491.01
		5,564.49	1,026.56
Profit after tax from continuing operations		**9,157.02**	673.49
Discontinued operations	46		
Profit / (Loss) from discontinued operations before tax		**(162.55)**	(459.17)
Tax expense of discontinued operations		**-**	-
Loss from discontinued operations after tax		**(162.55)**	(459.17)
Profit after tax from total operations		**8,994.47**	214.32
Other comprehensive income / (loss)	39		
(a) Items that will not be reclassified to profit or loss (net of tax)		**620.32**	(697.47)
(b) Items that will be reclassified to profit or loss (net of tax)		**(515.31)**	2,639.28
Total other comprehensive income (net of tax)		**105.01**	1,941.81
Total comprehensive income for the year		**9,099.48**	2,156.13
Net profit for the year attributable to:			
Equity shareholders of the Holding Company		**9,004.10**	298.49
Non-controlling interests		**(9.63)**	(84.17)
Total comprehensive income for the year attributable to:			
Equity shareholders of the Holding Company		**9,109.11**	2,240.30
Non-controlling interests		**(9.63)**	(84.17)
Earnings per share:	50(a)		
Basic and Diluted (in ₹)			
(i) Continuing operations		**8.17**	0.67
(ii) Discontinued operations		**(0.15)**	(0.41)
(iii) Total operations		**8.02**	0.26
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 Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
A.	**Cash flow from operating activities**		
	Profit / (Loss) before tax from:		
	Continuing operations	**14,721.51**	1,700.05
	Discontinued operations	**(162.55)**	(459.17)
	Adjustments for :		
	Excess provision written back	**(122.17)**	(32.66)
	Bad debts / advances written off	**620.25**	363.56
	Liabilities no longer required written back	**(68.40)**	(162.64)
	Provision for doubtful debts	**194.63**	13.15
	Excess provision written back of inventories (net)	**(101.99)**	(258.94)
	Unrealised foreign exchange variation (gain) / loss	**(95.52)**	-
	Depreciation and amortisation	**3,536.04**	4,334.30
	Impairment on capital work-in-progress	**467.75**	291.35
	(Profit) / loss on sale of property, plant and equipment (net)	**(1,299.46)**	32.56
	Profit on sale of subsidiary	**(2,944.70)**	-
	Provision for contingencies	**555.43**	-
	Interest income	**(84.26)**	(199.77)
	Finance costs	**2,615.28**	3,585.52
	Operating profit before working capital changes	**17,831.84**	9,207.31
	Adjustment for :		
	(Increase) / decrease in trade and other receivables	**(10,343.70)**	(1,038.86)
	(Increase) / decrease in inventories	**(20.90)**	684.95
	Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	**3,246.46**	2,821.00
	Cash generated from operating activities	**10,713.70**	11,674.40
	Direct taxes paid (net of refunds)	**(2,181.52)**	(989.00)
	Net cash generated from operating activities	**8,532.18**	10,685.40
B.	**Cash flow from investing activities**		
	Inflow:		
	Interest income received	**98.93**	244.49
	Fixed deposits matured (net)	**676.41**	82.51
	Proceeds from sale of subsidiary, net of cash transferred (net)	**9,382.02**	-
	Sale proceeds of property, plant and equipment	**339.11**	145.50
	Sale proceeds of current investments (net)	**-**	2.99
	Repayment of inter-corporate deposit placed	**23.00**	1,212.00
		10,519.47	1,687.49
	Outflow:		
	Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	**2,998.30**	3,493.61
	Purchase of non-current investment	**13.31**	-
	Refund of excess advance received against sale of property, plant and equipment	**62.63**	15.37
		3,074.24	3,508.98
	Net cash generated from / (used in) investing activities	**7,445.23**	(1,821.49)

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
C.	**Cash flow from financing activities**		
	Inflow:		
	Proceeds from non-current borrowings	2,596.00	-
	Proceeds from current borrowings (net)	-	55.66
		2,596.00	55.66
	Outflow:		
	Repayment of non-current borrowings	4,446.63	4,521.83
	Repayment of current borrowings (net)	6,668.39	-
	Finance costs paid	2,776.66	3,236.02
	Finance costs on lease obligations paid	119.58	133.00
	Payment of lease obligations	383.14	338.75
		14,394.40	8,229.60
	Net cash used in financing activities	(11,798.40)	(8,173.94)
D.	**Effect of changes in exchange rates for cash and cash equivalents**	8.59	38.63
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	4,187.60	728.60
	Add: Cash and cash equivalents at the beginning of the year	1,560.39	831.79
	Cash and cash equivalents at the end of the year (Refer note 13)	5,747.99	1,560.39
	Cash and cash equivalents as per above comprises of the following:		
	Cash on hand	26.34	94.70
	Balances with banks	5,721.65	1,465.69
	Cash and cash equivalents at the end of the year	5,747.99	1,560.39

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, Statement of Cash Flows.

This is the Statement of Cash Flows referred to in our report of even date

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

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

Equity share capital

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2019	**19**	**112,207,682**	**2,244.15**
Changes in equity share capital		-	-
As at 31 March 2020		**112,207,682**	**2,244.15**
Changes in equity share capital		-	-
As at 31 March 2021		**112,207,682**	**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 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**
Transactions during the year							
Net profit / (loss) for the year	-	-	9,004.10	-	-	(9.63)	**8,994.47**
Other comprehensive income / (loss) for the year	-	-	603.17	(515.31)	17.15	-	**105.01**
Adjustment on acquisition of non-controlling interests [Refer note 47(a)(ii)]	-	-	(128.93)	-	-	84.63	**(44.30)**
Closing balance as at 31 March 2021	**24,789.64**	**7,491.00**	**24,861.59**	**3,174.88**	**265.11**	**-**	**60,582.22**

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 Registration No: 001076N/N500013

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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') 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 gas and other gases, liquids and air. Further, the Group is also engaged in dealing of coal based methane gas and liquified petroleum gases, etc. and trading of fire extinguishment and related equipment and 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.

(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 Holding Company has control. The Holding Company controls an entity when the Holding Company 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 Holding Company. They are deconsolidated from the date 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 by 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 consolidated statement of profit and loss, and the Group's share of other comprehensive income/(loss) of the investee in other comprehensive income/(loss). 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 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 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 10 below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Refer note 47 for the list of subsidiaries considered in the consolidated financial statements.

4. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing a part of plant and equipment and borrowing costs if capitalisation criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Spare parts are capitalized when they meet the definition of property, plant and equipment i.e., when the Group intends to use them for more than a period of 12 months.

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 year in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is 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 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

(i) Depreciation on the property, plant and equipment of the Holding Company, Calcutta Compressions and Liquefaction Engineering Limited and EKC International FZE, subsidiaries 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

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.

(ii) 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.

5. Intangible Assets

Intangible assets are stated at cost net of 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 are capitalised at the amounts paid to acquire the respective license for use and are amortised over the estimated useful economic life. The assets' useful lives are reviewed at each financial year end.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the consolidated statement of profit and loss.

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 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.

6. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Depreciation on building is provided over it's useful life using the straight line method, in a manner similar to PPE.

Useful life considered for calculation of depreciation for assets class is as follows:

Non- Factory Building	60 years

7. 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.

Group as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability 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 consolidated 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 consolidated 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 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 excepted inflationary cost increases. The respective leased assets are included in the consolidated balance sheet based on their nature.

8. 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.

9. Inventories

(a) The inventories resulting from intra-group transactions are stated at cost after deducting unrealised profit on such transactions;

(b) Raw Materials and components, Work-in-progress, Finished goods and Stock-in-trade are valued at lower of cost and net realisable value;

(c) Goods in transit are stated 'at cost';

(d) Other inventories are stated 'at cost or net realisable value', whichever is lower;

(e) 'Cost' includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating output. Cost formulae used is 'First In First Out', 'Weighted Average cost' or 'Specific identification', as applicable.

(f) Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts) which are used in operating machines or consumed as indirect materials in the manufacturing process. Stores and spares, excluding certain gases, are charged to consolidated statement of profit and loss during the year in which they are purchased.

The factors that the Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes and ageing of inventory, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

10. Investments and financial assets

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, it 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.

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 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 and loss.

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 interests 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.

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.

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.

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.

11. 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 fair value less costs of disposal 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 was no impairment.

12. 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 during 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 consolidated balance sheet.

The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

13. Segment reporting

Segment information is reported in a manner consistent with the internal reporting provided to the chief financial officer and the Chairman and Managing Director of the Holding Company, who constitute the chief operating decision maker ('CODM').

14. 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.

15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

16. 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 amount 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 recognised when an inflow of economic benefits is probable.

17. 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 Group in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 the Group 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.

The Group recognises provision for sales return, based on the historical results. The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of sale of product. The estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates.

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 term contracts, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, 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 recognised 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.

18. 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 is 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.

19. 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: Certain entities within the Group have computed their liability towards future payments of gratuity to employees, on actuarial valuation basis, using 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 encased 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 encased 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.): This 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

20. Foreign currency transactions and translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the respective entity operates (their 'functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Holding Company's functional and presentation currency.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the 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 the 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 rates prevailing on 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.

21. Income tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is accounted in full, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. 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.

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 Group 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 consolidated statement of profit and loss, except to the extent 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 it is reasonably certain that the Group 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 Group will pay normal income tax during the specified period.

22. 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. 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 rights issue, share split and reverse 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.

24. 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.

25. 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.

26. 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.

27. Standards issued but not effective

There are no standards that are issued but not yet effective on 31 March 2021.

28. 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's 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's 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 slow and non-moving inventory - refer note 12

(ii) Estimated useful life of property, plant and equipment, intangible assets and investment property – refer notes 2, 4 and 5.

(iii) Impairment of carrying value of property, plant and equipment, capital work-in-progress, intangible assets and investment property – refer notes 2, 3, 4 and 5.

(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 - refer notes 10 and 38

(vi) Probable outcome of matters included under contingent liabilities - refer note 44

(vii) Provision for doubtful debts - refer notes 7A and 7B

(viii) Estimation of Defined benefit obligation - refer note 45

(ix) Estimated fair value of investments - Refer note 40

(x) Leases – Estimating the incremental borrowing rate - Refer point 7 of Note 1 above

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2 Property, plant and equipment

(₹ in lakhs)

												Right of Use Assets			
	Freehold land	Leasehold land [Refer note (i) below]	Buildings [Refer note (ii) below]	Plant and equipment [Refer note (iv) and (v) below]	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equip-ment	Com-puters	Gas Cylinders	Gas Cylinders given on lease	Electrical Install-ations	Lease-hold land [Refer note (i) below]	Build-ings	Total	Note 3: Capital work in progress [Refer note (v) & (vii) below]
Gross carrying amount															
Balance at 1 April 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(iii) 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	-	-	-	11.34	-	36.57	-	-	-	-	-	-	-	47.91	
Assets classified as held for sale [Refer note (vi) 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**	
Additions	-	-	438.44	1,367.58	86.17	135.09	11.85	61.06	-	-	-	-	134.26	2,234.45	
Disposals / Transfer of assets [Refer note (vii) and (viii) below]	-	-	1,972.38	-	20.15	60.00	-	-	309.95	-	-	-	-	2,362.48	
Foreign currency translation adjustments	(16.43)	-	(252.99)	(645.78)	(10.28)	(10.74)	(0.83)	(8.94)	-	(13.38)	(16.14)	-	(34.05)	(1,009.56)	
Balance as at 31 March 2021	**872.72**	**-**	**18,681.59**	**58,045.38**	**771.51**	**1,030.74**	**321.90**	**1,229.55**	**542.65**	**522.67**	**1,279.71**	**268.75**	**2,086.03**	**85,653.20**	
Accumulated depreciation/amortisation															
Balance as at 1 April 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 / amortisation 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	-	-	-	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 (vi) 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**	
Depreciation / amortisation charge for the year	-	-	623.58	2,266.66	34.94	114.01	13.46	21.04	17.95	31.74	24.32	1.29	363.09	3,512.08	
Disposals / Transfer of assets [Refer note (vii) and (viii) below]	-	-	148.14	-	15.70	38.43	-	-	31.60	-	-	-	-	233.87	
Foreign currency translation adjustments	-	-	(95.78)	(568.03)	(6.47)	(4.97)	(0.68)	(8.54)	-	(1.10)	(11.40)	-	(6.71)	(703.68)	
Balance as at 31 March 2021	**-**	**-**	**6,786.39**	**44,223.32**	**513.52**	**462.13**	**278.08**	**1,119.52**	**338.61**	**62.68**	**944.43**	**162.11**	**700.05**	**55,590.84**	
Net carrying amount															
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**
As at 31 March 2021	**872.72**	**-**	**11,895.20**	**13,822.06**	**257.99**	**568.61**	**43.82**	**110.03**	**204.04**	**459.99**	**335.28**	**106.64**	**1385.98**	**30,062.36**	**4,635.93**

Notes:

(i) Execution of lease deed is pending for two land parcels acquired at Tarapur Plant of the Holding Company aggregating ₹111.42 lakhs (31 March 2020: ₹111.42 lakhs).

(ii) Includes ₹ 750 (31 March 2020: ₹ 750) paid for shares acquired by Holding Company in co-operative societies.

(iii) Includes vehicles in the personal name of directors of the Holding Company, having gross carrying amount of ₹ 40 lakhs and net carrying amount of ₹ 11.47 lakhs [(31 March 2020 ₹ 100 lakhs and net carrying amount of ₹ 40.56 lakhs)].

(iv) The assets of the Holding Company include certain plant and equipment having net carrying amount of ₹ 3,823.74 lakhs as at 31 March 2021 (₹ 4,500.29 lakhs as at 31 March 2020) 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 (₹ Nil during the year ended 31 March 2020). 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 – Depreciated Replacement Cost (DRC) method under 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.

(v) During the year ended 31 March 2021, the Holding Company has decided to utilise plant and equipment aggregating ₹ 1,548.48 lakhs in manufacturing of its finished goods, which were earlier classified held for sale. Accordingly, these assets have been reclassified from 'Assets classified as held for sale' to 'Capital work-in-progress' in accordance with the applicable Indian Accounting Standards. The estimated recoverable value has been determined by the independent valuer using the same valuation model as mentioned in point (iv) above. The Company has recorded an impairment loss of ₹ 467.75 lakhs on these assets during the year ended 31 March 2021. Refer note 37.

(vi) 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.

(vii) During the year ended 31 March 2021, factory building at Aurangabad having net carrying amount of ₹ 708.16 lakhs has been transferred from Property, plant and equipment to Capital work-in-progress.

(viii) During the year ended 31 March 2021, office premises at Mumbai having net carrying amount of ₹ 1,116.08 lakhs has been reclassified from Property, plant and equipment to Investment Property, as the office premises is not being used by the Holding Company in the production or supply of goods or services or for administrative purposes and is held to earn rentals and capital appreciation.

(ix) Information on property, plant and equipment pledged as security by the Company (Refer note 52).

(x) Disclosure of contractual commitments for the acquistion of property, plant and equipment [Refer note 44(c)].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4 Investment property

(₹ in lakhs)

	Buildings	Total
Gross carrying amount		
Balance as at 1 April 2019	**-**	**-**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2020	**-**	**-**
Additions / Transfer of assets [Refer note 2(viii)]	1,116.08	1,116.08
Disposals	-	-
Balance as at 31 March 2021	**1,116.08**	**1,116.08**
Accumulated depreciation		
Balance as at 1 April 2019	**-**	**-**
Depreciation charge for the year	-	-
On disposals	-	-
Balance as at 31 March 2020	**-**	**-**
Depreciation charge for the period / year	1.55	1.55
On disposals	-	-
Balance as at 31 March 2021	**1.55**	**1.55**
Net carrying amount		
As at 31 March 2020	**-**	**-**
As at 31 March 2021	**1,114.53**	**1,114.53**
Fair value		
As at 31 March 2020	**-**	**-**
As at 31 March 2021	**1,425.00**	**-**

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment property	**2.69**	-
Direct operating expenses (including repairs and maintenance) generating rental income	**0.85**	-
Income arising from investment property before depreciation	**1.84**	-
Depreciation charge for the period / year	**1.55**	-
Income arising from investment property (Net)	**0.29**	-

Premises given on operating lease:

The Holding Company has given a non-factory building premises on operating lease. This lease arrangement is for a period 9 years and is a cancellable lease. The lease is renewable for further period on mutually agreeable terms.

The total future minimum lease rentals receivables at the balance sheet date is as under: (₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
For a period not later than one year	**100.19**	-
For a period later than one year and not later than five years	**433.32**	-
For a period later than five years	**546.45**	-

Estimation of fair value

The fair valuation of the investment property is derived by an accredited independent valuer by using 'Sales Comparison Method' under Market Approach using composite rate of commercial offices by comparing the investment property with similar properties that have recently been sold near the location of investment property. Comparable properties are selected for similarity to the subject property by considering attributes like age, size, shape, quality of construction, building features, condition, design, etc. The fair value measurement is categorised in level 3 fair value hierarchy.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 Intangible assets

(₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 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**
Additions	7.78	7.78
Disposals	-	-
Foreign currency translation adjustments	(5.15)	(5.15)
Balance at 31 March 2021	**485.54**	**485.54**
Accumulated amortisation		
Balance as at 1 April 2019	**359.84**	**359.84**
Amortisation charge	21.67	21.67
On disposals	-	-
Foreign currency translation adjustments	12.43	12.43
Balance as at 31 March 2020	**393.94**	**393.94**
Amortisation charge for the year	22.41	22.41
On disposals	-	-
Foreign currency translation adjustments	(3.27)	(3.27)
Balance as at 31 March 2021	**413.08**	**413.08**
Net carrying value		
As at 31 March 2020	**88.97**	**88.97**
As at 31 March 2021	**72.46**	**72.46**

5A Depreciation and amortisation of continuing operations

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	**3,512.08**	4,312.63
Depreciation on investment property	**1.55**	-
Amortisation on intangible assets	**22.41**	21.67
Total	**3,536.04**	4,334.30

6 Non-current investments

(₹ in lakhs)

	Face value of shares	As at 31 March 2021		As at 31 March 2020	
		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**	**310.61**	115,000	288.27
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			**320.17**		297.83
Aggregate amount of unquoted investments			**320.17**		297.83
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 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
7A	**Trade receivables (non - current)**		
	Trade receivables	932.12	-
	Less : Provision for doubtful debts	-	-
	Total	932.12	-
	Break up of trade receivables (Unsecured, considered good, unless otherwise stated)		
	- Secured, considered good	-	-
	- Unsecured, considered good	932.12	-
	- Significant increase in credit risk	-	-
	- Credit impaired	-	-
	Less : Impairment allowance		
	- Allowance for expected credit loss	-	-
	- Credit impaired	-	-
	Total	932.12	-
	Refer note 41 for information about credit risk and market risk of trade receivables		
8	**Non-current loans**		
	Unsecured, considered good, unless otherwise stated		
	Security deposits		
	- Considered good	252.58	252.89
	- Significant increase in credit risk	-	-
	- Considered credit impaired	239.00	239.00
	Less : Impairment allowance		
	- Credit impaired	(239.00)	(239.00)
	Total	252.58	252.89
	Refer note 41 for information about credit risk and market risk for loans		
9	**Other non-current financial assets**		
	Unsecured, considered good		
	Deposits with maturity of more than 12 months*	433.01	23.52
	Receivable from sale of subsidiary (Refer note 46)	976.13	-
	Total	1,409.14	23.52
	*Margin money against bank guarantees availed from bank.		
	Refer note 41 for information about credit risk and market risk for other non-current financial assets.		
10	**Deferred tax assets (net)**		
	Deferred tax liability on account of :		
	Depreciation and amortisation	3,505.22	3,471.06
	Financial liabilities measured at amortised cost	9.58	11.05
		3,514.80	3,482.11
	Deferred tax assets on account of :		
	Transition impact on account of adoption of Ind AS 116, 'Leases' [Refer note 50(b)]	47.74	60.30
	Provision for doubtful debts / deposits / advances / other receivables, etc.	1,182.96	1,809.51
	Provision for employee benefits	108.00	82.87
	Provision for sales returns	10.37	7.89
	Unrealised profits on closing stock	17.80	22.07
	Unabsorbed depreciation as per tax laws	-	1,358.37
	Carried forward business losses as per tax laws	-	3,465.84
	Minimum alternate tax credit entitlement	4,387.59	1,967.24
		5,754.46	8,774.09
	Total	2,239.66	5,291.98
	Refer note 38(B).		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
11	**Other non-current assets**		
	Capital advances	**2,138.30**	1,660.06
	Deposits with government authorities	**68.82**	15.01
	Total	**2,207.12**	1,675.07
12	**Inventories**		
	Raw materials and components	**10,526.96**	11,985.50
	Raw materials and components - in transit	**1,321.39**	963.60
	Less: Provision for diminution in value	**(423.92)**	(458.75)
		11,424.43	12,490.35
	Work-in-progress	**14,043.79**	13,582.95
	Less: Provision for diminution in value	**(310.52)**	(377.68)
		13,733.27	13,205.27
	Finished goods	**3,529.95**	2,551.85
	Finished goods - In transit	**105.00**	963.00
	Stock-in-trade	**1,081.00**	1,038.71
	Stores and spares	**21.45**	30.05
	Total	**29,895.10**	30,279.23
7B	**Trade receivables (current)**		
	Trade receivables (Refer notes 53 and 55)	**17,800.67**	13,700.85
	Less : Provision for doubtful debts	**(1,481.58)**	(1,862.98)
	Total	**16,319.09**	11,837.87
	Break up of trade receivables (Unsecured, considered good, unless otherwise stated)		
	- Secured, considered good	**-**	-
	- Unsecured, considered good	**16,319.09**	11,837.87
	- Significant increase in credit risk	**-**	-
	- Credit impaired	**1,481.58**	1,862.98
	Less : Impairment allowance		
	- Allowance for expected credit loss	**(71.40)**	(48.16)
	- Credit impaired	**(1,410.18)**	(1,814.82)
	Total	**16,319.09**	11,837.87
	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	**5,721.65**	1,465.69
	Cash on hand	**26.34**	94.70
	Total	**5,747.99**	1,560.39
	There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the year.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
14	**Bank balances other than cash and cash equivalents**		
	Security against borrowings	**150.03**	925.56
	Margin money against guarantees and working capital facilities	**894.06**	1,097.54
	Margin money against letter of credit	**222.97**	256.24
	Deposits with maturity of more than 3 months but less than 12 months	**8.04**	7.09
	Earmarked balances - unpaid dividend accounts	**-**	1.37
	Total	**1,275.10**	2,287.80
15	**Current loans**		
	Inter-corporate deposit	**51.47**	66.91
	Security deposits	**6.23**	118.03
	Others	**5.60**	22.69
	Total	**63.30**	207.63
	Break up of loan receivables		
	- Secured, considered good	**-**	-
	- Unsecured, considered good	**63.30**	207.63
	- Significant increase in credit risk	**-**	-
	- Credit impaired	**-**	-
	Total	**63.30**	207.63
	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	**51.47**	66.91
	Maximum amount outstanding at any time during the year	**66.91**	1,450.36
	[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*	**318.47**	365.61
	Interest receivable:		
	- Banks	**47.13**	55.69
	- Others	**2.04**	4.68
	Total	**367.64**	425.98

Note:

*Includes ₹ 10 lakhs (31 March 2020: ₹ 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 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
17	**Other current assets**		
	Advances other than capital advances		
	- Advances paid to suppliers	**6,673.58**	3,634.10
	- Prepaid expenses	**420.82**	123.43
	- Other advances	**-**	289.52
	Balance with statutory authorities	**187.79**	303.98
	Right to receive inventory	**50.48**	38.45
	Total	**7,332.67**	4,389.48
18	**Assets classified as held for sale**		
	Disposal Group [Refer note 46 and note (iii) below]	**-**	6,473.99
	Freehold land [Refer note (i) below]	**273.85**	273.85
	Buildings [Refer note (ii) below]	**-**	12.61
	Property, plant and equipment [Refer note 2 (vi)]	**-**	67.07
	Capital work-in-progress [Refer note 2(v)]	**-**	1,548.48
	Total	**273.85**	8,376.00

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 2020: ₹ 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) As at 31st March 2020, 'Assets classified as held for sale' included premises at Mumbai having book value ₹ 12.61 lakhs (₹ 12.61 lakhs as at 31 March 2020), pursuant to the decision of the Holding Company to dispose off the same. An amount of ₹ 1,412.63 lakhs received as advance against the proposed sale of aforesaid premises had been included in Note 29 - 'Other current liabilities’ as at 31 March 2020. During the year ended 31 March 2021, the Company has recorded a gain of ₹ 1,337.39 lakhs on sale of aforesaid premises. Refer note 37.

(iii) During the year ended 31 March 2020, property, plant and equipment at China subsidiary had 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 was being used by the Holding Company for business purposes. These assets were measured at lower of its carrying amount before the assets were classified as held for sale, adjusted for depreciation, that would had 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 had been recognised on the aforesaid reclassification and is forming part of Loss from discontinued operations. Refer note 46.

(iv) Assets classified as held for sale during the year 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 valuation has been categorised under Level 3 of the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
19	**Equity share capital**		
	Authorised:		
	125,000,000 equity shares (31 March 2020 : 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 2020 : 112,207,682) of ₹ 2 each fully paid up	**2,244.15**	2,244.15
	Total	**2,244.15**	2,244.15

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	2020-21		2019-20	
	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 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 2021		As at 31st March 2020	
	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**	15,585,749	13.89
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	**8,205,459**	**7.31**	8,207,088	7.31

* 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	**24,861.59**	15,383.25
	Fair value through other comprehensive income - Equity investments (FVOCI)	**265.11**	247.96
	Foreign currency translation reserve (FCTR)	**3,174.88**	3,690.19
	Total	**60,582.22**	51,602.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ 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	**15,383.25**	15,962.02
Transactions during the year		
Transitional adjustment on adoption of Ind AS 116, 'Leases' (net of tax) [Refer note 50(b)]	**-**	(164.76)
Adjustment on acquisition of non-controlling interests [Refer note 47(a)(ii)]	**(128.93)**	-
Net profit for the year	**9,004.10**	298.49
Other comprehensive income / (loss) for the year	**603.17**	(712.50)
Closing balance	**24,861.59**	15,383.25
(iv) Fair value through other comprehensive income - Equity investments		
Opening Balance	**247.96**	232.93
Transactions during the year		
Other comprehensive income / (loss) for the year	**17.15**	15.03
Closing balance	**265.11**	247.96
(v) Foreign currency translation reserve		
Opening Balance	**3,690.19**	1,050.91
Transactions during the year		
Other comprehensive income / (loss) for the year	**(515.31)**	2,639.28
Closing Balance	**3,174.88**	3,690.19

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 pertain to the accumulated earnings / 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		
Vehicle loans from banks and a financial institution [Refer note (i) and (iii) below]	**170.11**	165.62
	170.11	165.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
Unsecured		
Loans from related parties [Refer note (ii) below]	**5,514.50**	5,091.30
	5,514.50	5,091.30
Total	**5,684.61**	5,256.92

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) Vehicle loans from bank and financial institutions

Vehicle loan from a bank, balance outstanding ₹ 6.25 lakhs (31 March 2020: ₹ 9.18 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 ₹ 84.20 lakhs (31 March 2020: ₹ 100.08 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 is at fixed rate of interest of 11.75% per annum. Another vehicle loan from the same financial institution, balance outstanding ₹ 63.92 lakhs (31 March 2020: ₹ Nil) is repayable in 48 monthly instalments starting from August 2020 with the last instalment falling due in July 2024. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 11.00% per annum.

(ii) Loans from related parties

Unsecured loans from related parties are repayable on demand and carry interest rate of 12.00% per annum. However, as per the terms of the loans, except for an amount of ₹ 80 lakhs (March 2020: ₹ 102 lakhs), repayment of loans cannot be demanded before 1 April 2022.

EKC International FZE, UAE

(iii) Vehicle loans from banks

Vehicle loans from banks, balance outstanding ₹ 70.40 lakhs (31 March 2020: ₹ 108.89 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.

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
22	**Other financial liabilities**		
	Lease liabilities [Refer note 50(b)]	**1,291.18**	1,607.77
	Security deposits	**25.05**	-
	Total	**1,316.23**	1,607.77
23	**Non-current provisions**		
	Provision for employee benefits		
	- Compensated absences (Refer note 45)	**233.14**	199.46
	- Post retirement benefits (Refer note 45)	**1,824.53**	2,253.36
	Total	**2,057.67**	2,452.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
24	**Current borrowings**		
	Secured		
	Working capital facilities from banks*	**11,267.84**	17,937.64
	Unsecured		
	Loan from others	**-**	313.87
	Total	**11,267.84**	18,251.51

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 ₹ 9.14 lakhs (31 March 2020: ₹ 75.67 lakhs).

Notes :

Everest Kanto Cylinder Limited, India

(i) Working capital facilities from banks, balance outstanding ₹ 5,381.81 lakhs (31 March 2020: ₹ 6,239.49 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 property, plant and equipment and fixed deposits aggregating ₹ 500 lakhs of the Company. Working capital facility from another bank has been secured by exclusive charge on certain residential and commercial immovable properties owned by the 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 property, plant and equipment of the Company. The interest rate of the working capital facilities ranges from 9.70% per annum to 13.30% per annum as at year end (As at 31 March 2020 : 11.85% per annum to 14.30% per annum).

Loans from other parties:

(ii) Loan from others, balance outstanding ₹ Nil (31 March 2020: ₹ 313.87 lakhs) is unsecured and bears an interest rate of 13% per annum.

EKC International FZE, UAE

(iii) During the year ended 31 March 2021, the subsidiary has repaid in entirety the working capital facility from bank which had balance of ₹ 4,220.02 lakhs outstanding as at 31 March 2020 with 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. Subsequent to the year end, the subsidiary has released the charge created on the aforesaid assets by making necessary application with appropriate authority.

(iv) Working capital facility from another bank, balance outstanding ₹ 2,629.05 lakhs (31 March 2020: ₹ 3,965.10 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, balance outstanding ₹ Nil (31 March 2020: ₹ Nil) carries interest rate of 3M EIBOR + 5.05% p.a. 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 immovable properties of subsidiary's director, assignment of insurance policy covering mortgaged properties and unconditional and irrevocable personal guarantee from subsidiary's director.

CP Industries Holdings Inc. USA

(vi) Working capital facilities from a bank, balance outstanding ₹ 3,247.84 lakhs (31 March 2020: ₹ 3,437.36) 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 2021

		As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
25	**Trade payables**		
	Total outstanding dues to micro and small enterprises [Refer note (ii) below]	**239.50**	437.92
	Total outstanding dues of creditors other than micro enterprises and small enterprises - related parties (Refer note 43)	**84.25**	50.75
	Total outstanding dues of creditors other than micro enterprises (Refer note 53)	**6,851.67**	6,327.65
	Total	**7,175.42**	6,816.32

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:

(₹ in lakhs)

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	**239.50**	437.92
- 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 amounts 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.

26	**Other financial liabilities**		
	Current maturities of non-current borrowings		
	Indian rupee common covid emergency credit line* [Refer note (i) below]	**371.39**	-
	Term loans from banks ** [Refer note (ii),(iv),(v) and (vi) below]	**2,748.19**	5,477.97
	Note payable [Refer note (iii) below]	**-**	130.41
	Vehicle loans from banks and a financial institution [Refer note 21(i) and 21(iii)]	**54.66**	52.53
	Loans from related parties*** [Refer note 21 (ii)]	**206.34**	234.91
	Unclaimed dividends****	**-**	1.37
	Payable for capital expenditure	**524.96**	263.91
	Lease liabilities [Refer note 50(b)]	**402.10**	337.51
	Deposits	**21.20**	36.83
	Other liabilities	**1,854.06**	1,586.79
	Total	**6,182.90**	8,122.23

* Includes interest accrued but not due aggregating ₹ 11.39 lakhs (31 March 2020: ₹ Nil)

** Includes interest accrued but not due aggregating ₹ 1.62 lakhs (31 March 2020: ₹ 44.03 lakhs)

*** Includes interest accrued but not due aggregating ₹ 126.34 lakhs (31 March 2020: ₹ 132.91)

**** 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)

Notes :

Everest Kanto Cylinder Limited, India

(i) During the year ended 31 March 2021, the Company has availed 'Common Covid Emergency Credit Line' facility from a bank aggregating ₹ 540.00 lakhs. This loan is 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. This has been further secured by personal guarantees from two promoter directors and exclusive charge on specific property, plant and equipment and fixed deposits aggregating ₹ 500.00 lakhs of the Company along with the working capital facility from the same bank. The loan is repayable in 18 equated monthly instalment after a moratorium of 6 months from date of disbursement with last instalment falling due in March 2022. The interest rate of the borrowing is 1Y MCLR i.e. 7.75% per annum as at year end.

(ii) During the year ended 31 March 2021, the Company has repaid in entirety the Indian rupee term loan from a bank, which was secured by way of (a) first pari passu charge on the property, plant and equipment of the Company, excluding specific property, plant and equipment of the Company (b) second pari passu charge on the current assets of the Company (c) unconditional and irrevocable personal guarantees from three promoter directors* (d) exclusive charge on certain residential and commercial immovable properties owned by the promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies. The interest rate of the borrowing on the date of repayment was YBL 1Y MCLR + 2.30% i.e. 11.10% per annum. Subsequent to the year end, the Company has received no objection certificate from the bank for satisfaction of charge created in respect of aforesaid assets and release of personal guarantees provided by three promoter directors*. The Holding Company is in the process of satisfying the charge created on the aforesaid assets by making necessary application with appropriate authority.

CP Industries Holdings Inc. USA

(iii) The subsidiary had a note payable arrangement with a vendor that was used to purchase equipment having balance outstanding ₹ Nil (31 March 2020 : ₹ 130.41 lakhs). Principal and interest payments on the vendor note payable were due monthly in equal instalments of ₹ 10.53 lakhs (USD 14,863) which commenced in April 2018. The interest rate of the note was 5.75% p.a. with the last instalment falling due in February 2021. The note was secured by hypothecation of the underlying equipment.

(iv) In April 2020, the subsidiary entered into a loan agreement with a bank, pursuant to which the bank provided an unsecured loan of USD 11.35 lakhs on the terms and conditions contained in the loan agreements, including such terms and conditions related to the forgiveness of the loans and the guarantee by the U.S. Small Business Administration ("SBA"), an agency of the Government of the United States, under the Paycheck Protection Program. Interest on the loan is charged at 1% p.a. Principal amount of loan of ₹ 834.20 lakhs and interest thereon is payable in eighteen equal monthly instalments after a period of 6 months from date of disbursement of the loan with last instalment falling due in April 2022. The indebtedness evidenced by this loan may be forgiven, pursuant to and subjected to, the terms of the Paycheck Protection Program [15 U.S. C. § 636(a)(36)], and the guidance issued in relation thereto by SBA and/or the U.S. Department of Treasury. In March 2021, the subsidiary obtained a second draw of the unsecured loan of USD 11.35 lakhs on the terms and conditions contained in the loan agreements, including such terms and conditions related to the forgiveness of the loans and guaranty by the SBA under the Paycheck Protections Program. The Company is yet to be forgiven for the loan as at the balance sheet date. Principal amount of loan of ₹ 834.20 lakhs and interest thereon is repayable in equal monthly instalments after a deferment period of 6 months from date of disbursement with last instalment falling due in August 2026.

(v) Term loan from a bank, balance outstanding ₹ 716.67 lakhs (31 March 2020: ₹ 1,176.02 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.

(vi) Delayed draw term loan from a bank, balance outstanding ₹ 361.50 lakhs (31 March 2020: ₹ 511.11 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	As at 31 March 2021 (₹ in lakhs)	As at 31 March 2020 (₹ in lakhs)
At 31 March 2021 and as at 31 March 2020, the subsidiary is in violation of the leverage and fixed charge coverage covenants and as a result is in technical default of the credit agreement entered with the bank. A waiver from the bank has not yet been received. Accordingly, the outstanding balances of the aforesaid loans have been classified as current maturities of non-current borrowings.		
27 Other current liabilities		
Advance from customers [Includes advances from related parties ₹ 185.07 lakhs) 31 March 2020: ₹ 35.06 lakhs)] [Refer note 43]	**5,263.85**	3,837.26
Statutory dues	**392.10**	150.01
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(ii) and note 37]	**-**	1,412.63
Total	**6,975.95**	6,719.90
28 Current provisions		
Provision for employee benefits		
- Compensated absences	**19.54**	14.85
- Post retirement benefits (Refer note 45)	**481.29**	456.28
Provision for sales returns (Refer note below)	**80.81**	61.03
Provision for contingencies (Refer notes 37 and 46)	**555.43**	-
Total	**1,137.07**	532.16

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.

	31 March 2021	31 March 2020
Opening provision for sales returns	**61.03**	61.11
Provision made during the year	**58.58**	53.34
Provision reversed during the year	**38.80**	53.42
Closing provision	**80.81**	61.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
29	**Revenue from operations**		
	Sale of products		
	Manufactured goods	**86,432.36**	70,659.18
	Stock-in-trade	**7,898.09**	4,947.89
	Other operating revenues		
	Scrap sales	**544.51**	389.51
	Testing, inspection and installation fees	**38.03**	54.93
	Total	**94,912.99**	76,051.51
	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	**8.14**	3.48
	- Fixed deposits	**73.06**	79.59
	- Others	**3.06**	11.68
	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
	- Excess provision written back (Refer note 41A)	**122.17**	32.66
	- Recovery of bad debts of earlier years	**13.37**	11.78
	- Liabilities no longer required written back	**68.40**	162.64
	- Other non-operating income	**50.22**	261.59
	Total	**338.42**	668.49
31	**Cost of materials consumed**		
	Raw material and components consumed		
	Opening stock	**12,949.10**	11,756.89
	Add: Purchases	**44,118.20**	38,292.09
	Less: Captive consumption for utilisation as property, plant and equipment	**-**	95.34
	Add: Adjustments on account of discontinued operations	**-**	3.84
	Less: Reversal of provision towards writedown in value of slow and non moving inventory	**(34.83)**	-
	Add: Foreign exchange translation reserve impact	**(86.67)**	555.27
	Less: Closing stock (including in transit)	**11,848.35**	12,949.10
	Total	**45,097.45**	37,563.65
32	**Purchases of stock-in-trade**		
	Castor oil	**5,397.44**	1,552.64
	Fire fighting equipment	**107.30**	278.57
	Stores, spares and consumables	**288.96**	307.95
	Cylinders	**17.03**	13.18
	Total	**5,810.73**	2,152.34
33	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	At the beginning of the year		
	Work-in-progress	**13,582.95**	16,283.57
	Finished goods	**3,514.85**	2,623.94
	Stock-in-trade	**1,038.71**	808.49
		18,136.51	19,716.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
	At the end of the year		
	Work-in-progress	**14,043.79**	13,582.95
	Finished goods (including in transit)	**3,634.95**	3,514.85
	Stock-in-trade	**1,081.00**	1,038.71
		18,759.74	18,136.51
	Less: Captive consumption for utilisation as property, plant and equipment	**-**	504.00
	Less: Reversal of provision towards writedown in value of slow and non moving inventory	**(67.16)**	(145.61)
	Add: Foreign exchange translation reserve impact	**(929.14)**	1,054.83
	Add / (Less): Adjustments on account of discontinued operations	**-**	39.23
	Total	**(1,619.53)**	2,315.16
34	**Employee benefits**		
	Salaries and wages	**8,338.47**	8,021.46
	Contribution to provident and other funds	**232.06**	197.94
	Staff welfare expenses	**120.44**	103.50
	Total	**8,690.97**	8,322.90
35	**Finance costs**		
	Interest expenses on financial liabilities measured at amortised cost		
	- Borrowings	**2,121.72**	3,154.54
	- Lease liabilities [Refer note 50(b)]	**119.58**	133.00
	- Others	**-**	0.82
	Interest on delayed payment of statutory dues	**265.09**	157.67
	Other borrowing costs	**108.89**	139.49
	Total	**2,615.28**	3,585.52
36	**Other expenses**		
	Consumption of stores and spares	**3,707.25**	2,861.45
	Power and fuel	**4,564.02**	3,973.76
	Water charges	**126.24**	111.93
	Repairs and maintenance		
	- Building	**87.45**	34.99
	- Plant and equipment	**392.02**	280.74
	- Others	**76.16**	39.75
	Labour charges	**537.47**	403.33
	Lease rent	**47.50**	261.81
	Insurance	**487.29**	288.23
	Rates and taxes	**4,419.39**	2,398.16
	Payment to auditors (Refer note 36.1 below)	**67.97**	64.64
	Director sitting fees (Refer note 43)	**13.24**	12.23
	Commission to non-executive directors (Refer note 43)	**20.00**	15.00
	Expenditure towards corporate social responsibility (Refer note 43)	**60.68**	15.69
	Legal and professional fees	**774.63**	853.94
	Loss on sale of property, plant and equipment (net)	**37.73**	-
	Travelling and conveyance	**245.35**	582.58
	Security expenses	**66.09**	83.75
	Bad debts / advances write off [net of provision for doubtful receivables ₹ 452.68 lakhs (31 March 2020: ₹ 40.80 lakhs]	**620.25**	241.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
Provision for doubtful debts	**194.63**	64.97
Bank charges and commission	**230.65**	236.24
Packing and forwarding	**594.58**	677.03
Carriage and freight	**1,167.27**	1,008.72
Advertisement and sales promotion	**194.83**	171.45
Commission on sales	**366.34**	289.92
Miscellaneous expenses (Refer note 51)	**1,465.60**	1,189.96
Total	**20,564.63**	16,162.16
36.1 Payment to auditors (of the Holding Company) (excluding taxes)		
As Auditors	**66.50**	60.50
Certification	**1.25**	3.39
Out of pocket expenses	**0.22**	0.75
Total	**67.97**	64.64
37 Exceptional items gain / (loss) (net)		
Excess provision written back (Refer note below)	**-**	258.94
Provision for impairment in property, plant and equipment [Refer note 2(v) and 2(vi)]	**(467.75)**	(140.00)
Profit on sale of asset held for sale [Refer note 18(ii)]	**1,337.39**	-
Profit on sale of subsidiary (Refer note 46)	**2,944.70**	-
Provision for contingencies (Refer notes 28 and 46)	**(555.43)**	-
Total	**3,258.91**	118.94

Note:

Exceptional item for the year ended 31 March 2020 includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items.

	Year Ended 31 March 2021 (₹ in lakhs)	Year Ended 31 March 2020 (₹ in lakhs)
38 Tax expense / (credit)		
Current tax on profits for the year	**2,511.62**	482.42
Tax pertaining to earlier years	**-**	53.13
(Increase) / Decrease in deferred tax assets (net)	**3,052.87**	491.01
Total	**5,564.49**	1,026.56
(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	**14,721.51**	1,700.05
(Loss) before tax from discontinued operations	**(162.55)**	(459.17)
Profit before tax from total operations	**14,558.96**	1,240.88
Current tax at the enacted rate of 34.944% (31 March 2020 : 34.944%)	**5,087.48**	433.61
Tax effect of the amounts which are not deductible / taxable in calculating taxable income		
Interest on delayed payment of statutory dues	**92.63**	55.10
Interest / penalties paid under indirect taxes	**102.71**	4.65
Expenses not allowable for tax purposes	**5.22**	9.58
Expenditure towards corporate social responsibility	**20.68**	5.48
Deductions under Income Tax Act, 1961	**(42.55)**	(30.94)
Loss of subsidiaries on which deferred tax assets not recognised	**1,586.70**	832.61
Entities with no tax	**(453.90)**	(154.89)
Interest exempt from income tax	**-**	0.02
Tax pertaining to earlier years	**-**	53.13
Book gain on sale of subsidiary on which no income tax is payable	**(659.12)**	-
Inter-company income / (expenses) (net) allowable for tax purposes	**(154.22)**	(162.57)
Others	**(21.14)**	(19.22)
Total	**5,564.49**	1,026.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(B) Deferred tax assets movement (net)

(₹ in lakhs)

	As at 31 March 2021	Changes recognised in Consolidated Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 31 March 2020	Changes recognised in Consolidated Statement of Profit and Loss	Changes recognised in other comprehensive income	Adjustment through reserves	As at 01 April 2019
Deferred tax liability on account of :								
Depreciation and amortisation	**3,505.22**	**34.16**	**-**	**3,471.06**	(304.34)	-	-	3,775.40
Financial liabilities measured at amortised cost	**9.58**	**(1.47)**	**-**	**11.05**	(14.19)	-	-	25.24
Total deferred tax liabilities	**3,514.80**	**32.69**	**-**	**3,482.11**	(318.53)	-	-	3,800.64
Deferred tax assets on account of :								
Transitional adjustment on adoption of Ind AS 116, 'Leases'	**47.74**	**(12.56)**	**-**	**60.30**	(13.02)	-	73.32	-
Provision for doubtful debts / deposits / advances / other receivables, etc.	**1,182.96**	**(626.55)**	**-**	**1,809.51**	95.49	-	-	1,714.02
Provision for employee benefits	**108.00**	**24.58**	**0.55**	**82.87**	(7.73)	0.10	-	90.50
Provision for sales returns	**10.37**	**2.48**	**-**	**7.89**	(0.01)	-	-	7.90
Unrealised profits on closing stock	**17.80**	**(4.27)**	**-**	**22.07**	(9.27)	-	-	31.34
Unabsorbed depreciation as per tax laws	**-**	**(1,358.37)**	**-**	**1,358.37**	-	-	-	1,358.37
Carried forward business losses as per tax laws	**-**	**(3,465.84)**	**-**	**3,465.84**	(1,409.81)	-	-	4,875.65
Minimum alternate tax credit entitlement	**4,387.59**	**2,420.35**	**-**	**1,967.24**	534.81	-	-	1,432.43
Total deferred tax assets	**5,754.46**	**(3,020.18)**	**0.55**	**8,774.09**	(809.54)	0.10	73.32	9,510.21
Net movement [provision/ (reversal)]		**3,052.87**	**(0.55)**		(491.01)	(0.10)	73.32	

(C) Unused tax losses which arose on incurrence of business losses for which no deferred tax assets (DTA) has been created due to absence of reasonable certainty

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Business loss	**11,113.25**	19,285.41
DTA on business loss	**3,190.52**	4,191.93
Unabsorbed depreciation	**535.52**	518.82
DTA on unabsorbed depreciation	**139.24**	134.89

39 Other comprehensive income / (loss)

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Items that will be reclassified to profit or loss		
Gains and losses arising from translating the financial statements of foreign operations (net of tax)	**(515.31)**	2,639.28
Items that will not be reclassified to profit or loss		
Measurements of defined employee benefit plans (net of tax)	**597.98**	(716.45)
Fair value through other comprehensive income - equity investments (net of tax)	**22.34**	18.98
Total	**105.01**	1,941.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

40 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2021			As at 31 March 2020		
	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	320.17	-	-	297.83	-	-
Loans	-	-	252.58	-	-	252.89
Trade receivables	-	-	932.12	-	-	-
Other financial assets	-	-	1,409.14	-	-	23.52
Financial assets - current						
Trade receivables	-	-	16,319.09	-	-	11,837.87
Cash and cash equivalents	-	-	5,747.99	-	-	1,560.39
Bank balances other than cash and cash equivalents	-	-	1,275.10	-	-	2,287.80
Loans	-	-	63.30	-	-	207.63
Other financial assets	-	-	367.64	-	-	425.98
Financial liabilities - non-current						
Borrowings (including current maturities)	-	-	9,065.19	-	-	11,152.74
Lease liabilities (including current maturities)	-	-	1,693.28	-	-	1,945.28
Security deposits	-	-	25.05	-	-	-
Financial liabilities - current						
Borrowings	-	-	11,267.84	-	-	18,251.51
Trade payables	-	-	7,175.42	-	-	6,816.32
Other financial liabilities	-	-	2,400.22	-	-	1,888.90

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 as follows:

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 instrinsic value of the investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

III. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

	As at 31 March 2021			As at 31 March 2020		
	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	-	-	320.17	-	-	297.83

IV. Reconciliation of level 3 fair value measurement:

(₹ in lakhs)

	2020-21	2019-20
At the beginning of the year	**297.83**	278.85
Acquisitions	**-**	-
Disposals	**-**	-
Gain recognised in consolidated statement of profit or loss	**22.34**	18.98
At the end of the year	**320.17**	297.83

V. Fair value of financial assets and liabilities measured at amortised cost, for which fair values are disclosed below:

(₹ in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Loans	**252.58**	**252.58**	252.89	252.89
Other financial assets	**1,409.14**	**1,290.29**	23.52	23.52
Trade receivables	**932.12**	**932.12**	-	-
Financial assets - current				
Trade receivables	**16,319.09**	**16,319.09**	11,837.87	11,837.87
Cash and cash equivalents	**5,747.99**	**5,747.99**	1,560.39	1,560.39
Bank balances other than cash and cash equivalents	**1,275.10**	**1,275.10**	2,287.80	2,287.80
Loans	**63.30**	**63.30**	207.63	207.63
Other financial assets	**367.64**	**367.64**	425.98	425.98
Financial liabilities - non-current				
Borrowings (including current maturities)	**9,065.19**	**9,065.19**	11,152.74	11,185.73
Security deposits	**25.05**	**25.05**	-	-
Lease liabilities	**1,693.28**	**1,693.28**	1,945.28	1,945.28
Financial liabilities - current				
Borrowings	**11,267.84**	**11,267.84**	18,251.51	18,251.51
Trade payables	**7,175.42**	**7,175.42**	6,816.32	6,816.32
Other financial liabilities	**2,400.22**	**2,400.22**	1,888.90	1,888.90

Notes:

(i) The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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:

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 2021	As at 31 March 2020
0-3 months	**15,702.39**	11,001.66
3-6 months	**769.90**	314.58
6-12 months	**945.60**	277.13
beyond 12 months	**1,314.90**	2,107.48
Total	**18,732.79**	13,700.85
Impairment allowance	**(1,481.58)**	(1,862.98)

(ii) Movement in impairment allowance

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Opening provision	**1,862.98**	1,837.04
Provision for doubtful debts	**194.63**	64.97
Provision written off	**(452.68)**	(40.80)
Excess provision written back	**(122.17)**	(32.66)
Foreign currency translation adjustments	**(1.18)**	34.43
Closing provision	**1,481.58**	1,862.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 Group, 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 2021 (₹ in lakhs)

Particulars	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial liabilities - non-current				
Borrowings (including current maturities)	**3,380.58**	**5,684.61**	**-**	**9,065.19**
Lease liabilities (including current maturities)	**402.10**	**815.76**	**475.42**	**1,693.28**
Security deposits	**-**	**-**	**25.05**	**25.05**
Financial liabilities - current				
Borrowings	**11,267.84**	**-**	**-**	**11,267.84**
Trade payables	**7,175.42**	**-**	**-**	**7,175.42**
Other financial liabilities	**2,400.22**	**-**	**-**	**2,400.22**
Total	**24,626.16**	**6,500.37**	**500.47**	**31,627.00**

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

(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, EUR and CNY.

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 partly offset by the corresponding receivables and payables which will be in the nature of natural hedge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021				As at 31 March 2020		
	USD	AED	EUR	CNY	USD	AED	EUR
Financial liabilities							
Trade payables	987.01	-	7.00	-	424.72	-	11.50
Other liabilities	-	-	-	-	44.48	-	-
Financial assets - current							
Trade receivables	110.92	-	-	-	144.22	-	-
Balances with bank	29.26	52.31	-	-	75.34	84.74	-
Financial assets - non current							
Other non-current financial assets			-	976.13			
Net exposure to foreign currency assets / (liabilities)	(846.83)	52.31	(7.00)	976.13	(249.64)	84.74	(11.50)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, AED, EUR and CNY 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 2021		As at 31 March 2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(42.34)	42.34	(12.48)	12.48
AED	2.62	(2.62)	4.24	(4.24)
EUR	(0.35)	0.35	(0.58)	0.58
CNY	48.81	(48.81)	-	-

(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.

The Group's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	14,379.09	23,407.08
Fixed rate borrowings	5,953.94	5,997.17
Total	20,333.03	29,404.25

Sensitivity analysis

(₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Increase by 70 basis points	(100.65)	(163.85)
Decrease by 70 basis points	100.65	163.85

(iii) Price Risk

The Group is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income

(₹ in lakhs)

Sensitivity	31 March 2021	31 March 2020
Impact on other comprehensive income for 5% increase in share price	16.01	14.89
Impact on other comprehensive income for 5% decrease in share price	(16.01)	(14.89)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021	As at 31 March 2020
Gross debt	**20,333.03**	29,404.25
Less: Cash and bank balances	**(7,023.09)**	(3,848.19)
Net debt (A)	**13,309.94**	25,556.06
Equity (B)	**62,826.37**	53,771.19
Gearing ratio (A / B)	**21.19%**	47.53%

(C) Loan covenants

At 31 March 2021, CP Industries Holdings Inc., a step down subsidiary of the Holding Company, is in violation of the leverage and fixed charge coverage covenants and as a result is in technical default of the credit agreement entered with the bank. A waiver from the bank has not yet been received. Accordingly, the outstanding balances of the term loan and delayed draw term loan have been classified as current maturities of non-current borrowings. The entity is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any interest/penalty towards above matter. Refer note 26(v).

(D) Net debt reconciliation

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	**5,747.99**	1,560.39
Non- current borrowings	**(9,065.19)**	(11,152.74)
Current borrowings	**(11,267.84)**	(18,251.51)
Lease liabilities (including current maturities)	**(1,693.28)**	(1,945.28)
Net Debt	**(16,278.32)**	(29,789.14)

(₹ in lakhs)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Total
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	-	(1,242.52)	(2,133.86)	(168.51)	(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	-	(64.41)	28.90	(57.81)	(93.32)
Net Debt as at 31 March 2020	**1,560.39**	**(11,152.74)**	**(18,251.51)**	**(1,945.28)**	**(29,789.14)**
Cash flows	4,187.60	1,850.63	6,668.39	383.14	13,089.76
Non cash movement: Acquisitions	-	-	-	(134.26)	(134.26)
Interest expense	-	(991.82)	(1,483.57)	(119.58)	(2,594.97)
Interest paid	-	1,275.07	1,501.59	119.58	2,896.24
Non cash adjustment					-
Amortisation of loan processing fee	-	(20.31)	-	-	(20.31)
Foreign currency translation adjustments	-	(26.02)	297.26	3.12	274.36
Net Debt as at 31 March 2021	**5,747.99**	**(9,065.19)**	**(11,267.84)**	**(1,693.28)**	**(16,278.32)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(E) Dividends

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Dividends not recognised at the end of the reporting period The Board of Directors have recommended a final dividend of ₹ 0.30 per equity share (face value of ₹ 2 each) for the year ended 31 March 2021, subject to necessary approval by the members in the ensuing Annual General Meeting of the Holding Company.	**336.62**	-

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 Group

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 Mr. M N Sudhindra Rao Ms. Uma Acharya Dr. Vaijayanti 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 Ms. Bhagyashree Kanekar - Company Secretary
Relatives of Key Management Personnel (with whom transactions have taken place during the year)	Ms. Suman Khurana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Sale of goods						
Medical Engineers (India) Limited	**1,365.47**	862.99	**-**	-	**-**	-
Sale of non-factory building						
Mr. Pushkar Khurana	**-**	-	**1,350.00**	-	**-**	-
Purchase of raw materials and traded goods						
Medical Engineers (India) Limited	**-**	1.45	**-**	-	**-**	-
Purchase of consumables						
Medical Engineers (India) Limited	**-**	3.90	**-**	-	**-**	-
Remuneration						
Mr. Prem Kumar Khurana	**-**	-	**-**	71.70	**-**	-
Mr. Pushkar Khurana	**-**	-	**100.75**	115.60	**-**	-
Mr. Puneet Khurana	**-**	-	**213.73**	226.54	**-**	-
Ms. Bhagyeshree Kanekar	**-**	-	**10.09**	9.03	**-**	-
Mr. Sanjiv Kapur	**-**	-	**60.31**	63.93	**-**	-
Ms. Suman Khurana	**-**	-	**-**	-	**30.00**	11.42
Sitting fees						
Mr. Ghanshyam Karkera	**4.99**	5.48	**-**	-	**-**	-
Ms. Uma Acharya	**3.45**	3.90	**-**	-	**-**	-
Mr. M N Sudhindra Rao	**3.00**	2.85	**-**	-	**-**	-
Dr. Vaijayanti Pandit	**1.80**	-	**-**	-	**-**	-
Commission to non-executive directors						
Ms. Uma Acharya	**5.00**	5.00	**-**	-	**-**	-
Mr. M N Sudhindra Rao	**5.00**	5.00	**-**	-	**-**	-
Mr. Ghanshyam Karkera	**5.00**	5.00	**-**	-	**-**	-
Dr. Vaijayanti Pandit	**5.00**	-	**-**	-	**-**	-
Rent expenses						
Khurana Fabrication Industries Private Limited	**18.34**	16.63	**-**	-	**-**	-
Khurana Exports Private Limited	**45.36**	45.36	**-**	-	**-**	-
Khurana Gases Private Limited	**15.86**	14.38	**-**	-	**-**	-
Mr. Prem Kumar Khurana	**-**	-	**-**	2.70	**-**	-
Mr. Pushkar Khurana	**-**	2.70	**3.60**	0.90	**-**	-
Mr. Varun Khurana	**-**	-	**-**	-	**-**	-
Other expenses	**8.31**	7.50	**-**	-	**-**	-
Expenditure towards corporate social responsibility						
Khurana Charitable Trust	**-**	15.69	**-**	-	**-**	-
Reimbursement of expenses						
Medical Engineers (India) Limited	**-**	1.23	**-**	-	**-**	-
Mr. Puneet Khurana	**-**	-	**2.52**	-	**-**	-
Interest expenses						
Khurana Gases Private Limited	**160.98**	149.62	**-**	-	**-**	-
Everest Kanto Investment and Finance Private Limited	**442.90**	429.96	**-**	-	**-**	-
Khurana Fabrication Industries Private Limited	**33.89**	29.28	**-**	-	**-**	-
Khurana Exports Private Limited	**0.84**	0.84				
Refund of excess advance received against sale of property, plant and equipment						
Mr. Pushkar Khurana	**-**	-	**62.63**	15.37	**-**	-
Loans repaid during the year						
Everest Kanto Investment and Finance Private Limited	**80.06**	102.73	**-**	-	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ 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 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Loans taken during the year						
Everest Kanto Investment and Finance Private Limited	**360.25**	216.00	**-**	-	**-**	-
Khurana Gases Private Limited	**87.00**	98.50	**-**	-	**-**	-
Khurana Fabrication Industries Private Limited	**34.00**	79.95	**-**	-	**-**	-
Khurana Exports Private Limited	**-**	7.00	**-**	-	**-**	-

(III) Balances of related parties:

(₹ in lakhs)

Payables						
Khurana Gases Private Limited	**5.94**	9.06	**-**	-	**-**	-
Khurana Exports Private Limited	**28.73**	5.78	**-**	-	**-**	-
Khurana Fabrication Industries Private Limited	**28.25**	9.97	**-**	-	**-**	-
Mr. Pushkar Khurana	**-**	-	**3.33**	9.63	**-**	-
Mr. Puneet Khurana	**-**	-	**15.00**	8.65	**-**	-
Ms. Bhagyashree Kanekar	**-**	-	**0.85**	0.77	**-**	-
Mr. Sanjiv Kapur	**-**	-	**5.14**	5.14	**-**	-
Ms. Uma Acharya	**4.50**	5.20	**-**	-	**-**	-
Mr. M N Sudhindra Rao	**4.50**	4.90	**-**	-	**-**	-
Mr. Ghanshyam Karkera	**4.50**	6.21	**-**	-	**-**	-
Dr. Vaijayanti Pandit	**4.50**	-	**-**	-	**-**	-
Mrs. Suman Khurana	**-**	-	**-**	-	**2.50**	2.50
Other advances						
Mr. Puneet Khurana	**-**	-	**0.15**	1.62	**-**	-
Advance received towards sale of property, plant and equipment						
Mr. Pushkar Khurana	**-**	-	**-**	1,412.63	**-**	-
Advance received from customers						
Medical Engineers (India) Limited	**185.07**	435.06	**-**	-	**-**	-
Loans taken						
Everest Kanto Investment and Finance Private Limited	**3,998.04**	3,716.67	**-**	-	**-**	-
Khurana Gases Private Limited	**1,405.48**	1,327.29	**-**	-	**-**	-
Khurana Fabrication Industries Private Limited	**310.13**	275.06	**-**	-	**-**	-
Khurana Exports Private Limited	**7.19**	7.19	**-**	-	**-**	-
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 for term loans and working capital loans with sanctioned limit of ₹ 8,040 lakhs as at 31 March 2021 (₹ 40,000 lakhs as at 31 March 2020) by promoter directors (including their estate, effects, heirs, legal representatives and assigns, as applicable) against which ₹ 5,293.91 lakhs was outstanding as at 31 March 2021 (₹ 7,917.15 lakhs as at 31 March 2020).

(b) Assets pledged to a bank for a working capital loan with sanctioned limit of ₹ 2,000 lakhs as at 31 March 2021 (₹ 2,000 lakhs as at 31 March 2020) by promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) and group companies against which ₹ Nil was outstanding as at 31 March 2021 (₹ 1,809.80 lakhs as at 31 March 2020). Further, assets pledged to a bank for a term loan with sanctioned limit of ₹ 32,500 lakhs as at 31 March 2021 (₹ 32,500 lakhs as at 31 March 2020) by promoters (including their estate, effects, heirs, legal representatives and assigns, as applicable) against which ₹ Nil was outstanding as at 31 March 2021 (₹ 3,805.51 lakhs as at 31 March 2020). Refer note 26(ii).

(c) Personal Guarantee given to banks of ₹ 6,608.85 lakhs as at 31 March 2020 by a subsidiary's director for working capital loans availed by the subsidiary against which ₹ Nil (₹ 4,227.84 lakhs as at 31 March 2020) 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 2021 (₹ 1,708.77 as at 31 March 2020) against which ₹ Nil (₹ Nil as at 31 March 2020) were outstanding as at the end of the year.

(e) Also refer note 42(E).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Compensation to Key Management Personnel *

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Short-term employee benefits	**365.08**	465.14
Post-employment benefits	**19.80**	21.66
Total compensation	**384.88**	486.80

* The aforesaid amounts do 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 2021	As at 31 March 2020
(a)	Contingent liabilities:		
(i)	Income tax matters under dispute	**693.69**	693.69
(ii)	Lease tax	**13.69**	21.05
(iii)	Sales tax and Value Added Tax	**1,190.85**	1,190.85
(iv)	Excise duty	**293.07**	53.81
(v)	Non compliance with FED Master Direction No. 17/2016-17 and FED Master Direction No. 16/2015-16 (31 March 2020: 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 53).	**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.	**Amount not determinable**	Amount not determinable
(vii)	Group's liabilities/obligations pertaining to the period upto the date of transfer of investment in EKC Industries (Tianjin) Co.,Ltd. (Refer note 46).	**Amount not determinable**	-
(viii)	Claims against Holding Company not acknowledged as debts	**50.75**	50.75
(ix)	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 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 2021. 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. 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)	Bonds executed in favour of government authorities *	**168.97**	196.20
	*Bonds / undertakings given by the Holding Company under concessional duty / exemption schemes to government authorities (net of obligations fulfilled)		
(c)	Commitments Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**586.74**	13.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021	Year ended 31 March 2020
Employer contribution to provident fund	144.26	126.28
Employer contribution to employees state insurance scheme	0.43	0.60
Employer contribution to labour welfare fund	1.74	2.90
Total	**146.43**	129.78

(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 2021	Year ended 31 March 2020
(i)	**Actuarial assumptions**		
	Mortality table	IALM (2012-14) ult	IALM (2012-14) ult
	Discount rate (%) (per annum)	6.55%	6.35%
	Rate of increase in compensation (%) (per annum)	0%-6%	0%-6%
	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	284.83	260.54
	Interest expense	17.26	18.55
	Current service cost	35.96	26.15
	Actuarial loss	20.83	0.26
	Benefits paid	(11.44)	(20.67)
	Present value of obligation at the end of the year	347.44	284.83
(iv)	**Changes in the fair value of plan assets**		
	Fair value of plan assets at beginning of the year	206.86	144.51
	Interest income	13.58	11.35
	Contributions	0.96	72.72
	Benefits paid	(11.44)	(20.67)
	Actuarial loss	(1.07)	(1.05)
	Fair value of plan assets at the end of the year	208.89	206.86
(v)	**Assets and liabilities recognised in the Consolidated Balance Sheet**		
	Present value of the defined benefit obligation at the end of the year	347.44	284.83
	Less: Fair value of plan assets at the end of the year	(208.89)	(206.86)
	Net liability recognised	138.55	77.97
	Recognised under provisions		
	Current provisions	-	-
	Non-current provisions	138.55	77.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
(vi)	**Expenses recognised in the Consolidated Statement of Profit and Loss**		
	Current service cost	**35.96**	26.15
	Net interest expense	**3.68**	7.20
	Net gratuity cost recognised during the year	**39.64**	33.35
	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	**21.90**	1.31
	Total remeasurement cost for the year recognised in Other comprehensive income / (loss)	**21.90**	1.31
(viii)	**Reconciliation of net asset / (liability) recognised:**		
	Net asset / (liability) recognised at the beginning of the period	**(77.97)**	(116.03)
	Company contributions	**0.96**	72.72
	Benefits paid directly by Holding Company	**-**	-
	Actuarial gain / (loss)	**(21.90)**	(1.31)
	Expenses recognised at the end of period	**(39.64)**	(33.35)
	Net asset/ (liability) recognised at the end of the period	**(138.55)**	(77.97)

(ix) **Sensitivity Analysis:**

	Particulars	As at 31 March 2021		As at 31 March 2020	
		Decrease	Increase	Decrease	Increase
	Impact of increase in 50 bps on DBO (discount rate)	**3.84%**	**-**	4.12%	-
	Impact of decrease in 50 bps on DBO (discount rate)	**-**	**4.12%**	-	4.42%
	Impact of increase in 50 bps on DBO (salary escalation rate)	**-**	**4.00%**	-	4.28%
	Impact of decrease in 50 bps on DBO (salary escalation rate)	**3.76%**	**-**	4.02%	-

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 2021	Year ended 31 March 2020
	Active members	**599**	561

• deferred members - Nil (2019-20: Nil)
• retired members - Nil (2019-20: Nil)

The Holding 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 2021

(xi) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2021	Year ended 31 March 2020
1	**55.08**	26.12
2	**22.88**	34.07
3	**34.70**	19.04
4	**23.51**	28.02
5	**36.70**	19.42
6	**27.77**	30.60
7	**33.54**	22.41
8	**37.25**	29.02
9	**29.26**	30.24
10 and above	**362.34**	312.82

(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 of the Holding Company is recognised in the same manner as gratuity and net expense in the Consolidated Statement of Profit and Loss for the year ended 31 March 2021 is ₹ 17.54 lakhs (31 March 2020: ₹ 8.68 lakhs)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Current provisions	**19.54**	14.85
Non-current provisions	**90.30**	77.45
Total	**109.84**	92.30

(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 2021

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
(i)	**Actuarial assumptions**		
	Discount rate (%) (per annum)	**2.80%**	2.90%
	Expected rate of return (per annum)	**5.00%**	5.00%
(ii)	**Changes in the present value of defined benefit obligation (DBO)**		
	Present value of obligation at the beginning of the year	**5,081.52**	4,313.96
	Interest expense	**140.26**	169.25
	Current service cost	**38.16**	32.49
	Actuarial loss	**0.98**	459.43
	Benefits paid	**(302.70)**	(338.09)
	Foreign exchange (gain) / loss	**(125.66)**	444.48
	Present value of obligation at the end of the year	**4,832.56**	5,081.52
(iii)	**Changes in the fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**2,693.35**	2,770.60
	Interest income	**131.49**	140.81
	Contributions	**-**	113.01
	Benefits paid	**(517.18)**	(338.09)
	Actuarial loss	**664.05**	(222.40)
	Foreign exchange gain / (loss)	**(68.61)**	229.42
	Fair value of plan assets at the end of the year	**2,903.10**	2,693.35
(iv)	**Assets and liabilities recognised in the Consolidated Balance Sheet**		
	Present value of the defined benefit obligation at the end of the year	**4,832.56**	5,081.52
	Less: Fair value of plan assets at the end of the year	**(2,903.10)**	(2,693.35)
	Net liability recognised	**1,929.46**	2,388.16
	Recognised under provisions		
	Current provisions	**451.38**	443.48
	Non-current provisions	**1,478.08**	1,944.69
(v)	**Expenses recognised in the Consolidated Statement of Profit and Loss**		
	Current service cost	**38.16**	32.49
	Net interest expense	**8.77**	28.44
	Net defined benefit pension costs recognised during the year	**46.93**	60.92
	Included in note 34 'Employee benefits expense'		
(vi)	**Plan assets**		
	Pooled separate account *	**2,903.10**	2,693.35
	Total	**2,903.10**	2,693.35

* 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 2021 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 2 inputs under the fair value hierarchy).

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 subsidiary's expected rate of return on plan assets is determined by the plan's historical returns and the targeted mix of investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(vii) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2021	Year ended 31 March 2020
1	**295.41**	309.08
2	**295.47**	303.05
3	**300.45**	304.56
4	**291.34**	307.57
5	**280.58**	300.04
6 and above	**1,394.35**	1,433.84

(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 2021	Year ended 31 March 2020
(i)	**Actuarial assumptions**		
	Discount rate (%) (per annum)	**2.25%**	2.60%
(ii)	**Changes in the present value of defined benefit obligation (DBO)**		
	Present value of obligation at the beginning of the year	**141.53**	110.18
	Interest expense	**3.44**	3.76
	Current service cost	**0.58**	0.07
	Actuarial (gain) / loss	**43.74**	33.41
	Benefits paid	**(11.23)**	(13.01)
	Foreign exchange loss	**(56.89)**	7.13
	Present value of obligation at the end of the year	**121.17**	141.53
(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	**121.17**	141.53
	Less: Fair value of plan assets at the end of the year	**-**	-
	Net liability recognised	**121.17**	141.53
	Recognised under provisions		
	Current provisions	**29.91**	12.80
	Non-current provisions	**91.26**	128.73
(v)	**Expenses recognised in the Consolidated Statement of Profit and Loss**		
	Current service cost	**0.58**	0.07
	Net interest expense	**3.44**	3.76
	Net post retirement plan costs recognised during the year	**4.02**	3.83
	Included in note 34 'Employee benefits expense'		
(vi)	**Maturity analysis of projected benefit obligation:**		
	Year 1	**10.37**	12.82
	Year 2	**11.53**	11.31
	Year 3	**13.97**	12.82
	Year 4	**12.44**	15.08
	Year 5	**12.24**	13.57
	Year 6 and above	**41.98**	53.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

46 Discontinued operations

(a) Description

During the year ended 31 March 2018, the Group had initiated the process to locate a buyer for its China subsidiary, EKC Industries (Tianjin) Co., Ltd. Accordingly, the financial information of the Group's China operations were reported as discontinued operations. The associated assets and liabilities were consequently presented as held for sale in the consolidated financial statements of the Group.

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 statements. Being a discontinued operation, the China operations have not been considered as separate reportable segment.

Pursuant to the terms of the equity transfer agreement, the Group has transferred the control over EKC China to the buyer on 31 December 2020. Accordingly, the Group have 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 also 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 year ended 31 March 2021, the Group has received RMB 85.39 Millon as consideration and RMB 8.11 Million has been retained by the buyer for contingencies and/or open litigations of EKC China. The Group has created provision for contingencies of ₹ 555.43 lakhs against the aforesaid receivables. Refer notes 9 and 37.

(b) Financial performance and cash flow information pertaining to discontinued operations

(₹ in lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
I	Total Income	**-**	38.02
II	Total Expenses	**160.03**	482.36
III	**Loss before provision for doubtful debts, foreign exchange variation gain / (loss), exceptional items and tax (I-II)**	**(160.03)**	(444.34)
IV	Provisions written back	**0.92**	51.65
V	Foreign exchange variation gain / (loss)	**(3.44)**	(66.48)
VI	**Loss before tax (III+IV+V)**	**(162.55)**	(459.17)
VII	Tax expense / (credit)	**-**	-
VIII	**Loss after tax (VI-VII)**	**(162.55)**	(459.17)
IX	**Other comprehensive income from discontinued operations**	**-**	-
X	Net cash generated from / (used in) operating activities	**(5.33)**	(1,364.16)
	Net cash generated from / (used in) investing activities	**(28.95)**	1,577.36
	Net cash generated from / (used in) financing activities	**-**	0.26
	Exchange differences on translation of discontinued operations	**0.90**	(293.02)
	Net cash used in discontinued operations	**(33.38)**	(79.56)

c) Assets and liabilities of disposal group classified as held for sale

The carrying amount of assets and liabilities as at 31 March 2021 are as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	**-**	6,473.99
Total assets	**-**	6,473.99
Other current liabilities	**-**	319.19
Total liabilities	**-**	319.19
Net assets	**-**	6,154.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021			58.83%	36,958.67	114.25%	10,276.02	0.94%	0.99	112.94%	10,277.01
31 March 2020			49.62%	26,681.66	742.29%	1,590.87	0.71%	13.72	74.42%	1,604.59
Subsidiaries										
EKC International FZE	United Arab Emirates	100%								
31 March 2021			89.30%	56,105.11	-58.88%	(5,295.65)	-	-	-58.20%	(5,295.65)
31 March 2020			116.42%	62,602.54	-378.08%	(810.30)	-	-	-37.58%	(810.30)
CP Industries Holdings, Inc.	United States of America	100%								
31 March 2021			-22.76%	(14,300.50)	-124.42%	(11,190.48)	612.21%	642.90	-115.91%	(10,547.58)
31 March 2020			-7.35%	(3,950.49)	-855.76%	(1,834.07)	-36.63%	(711.19)	-118.05%	(2,545.26)
EKC Industries (Tianjin) Co. Limited (upto 31 December 2020)	People's Republic of China	100%								
31 March 2021			0.00%	-	-3.65%	(328.32)	-	-	-3.61%	(328.32)
31 March 2020			13.98%	7,515.51	857.05%	1,836.82	-	-	85.19%	1,836.82
EKC Industries (Thailand) Co. Limited [Refer note (i) below]	Kingdom of Thailand	100%								
31 March 2021			3.33%	2,091.81	-1.09%	(98.41)	-	-	-1.08%	(98.41)
31 March 2020			3.97%	2,134.81	4.18%	8.95	-	-	0.42%	8.95
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (ii) below]	India	100%								
31 March 2021			-2.17%	(1,363.28)	-1.48%	(132.87)	-	-	-1.46%	(132.87)
31 March 2020			-2.01%	(1,083.42)	-78.02%	(167.21)	-	-	-7.76%	(167.21)
EKC Hungary Kft.	Hungary	100%								
31 March 2021			-0.19%	(122.12)	0.39%	35.17	-	-	0.39%	35.17
31 March 2020			-0.58%	(312.52)	156.74%	335.92	-	-	15.58%	335.92
Next Gen Cylinder Private Limited	India	100%								
31 March 2021			0.02%	9.58	0.00%	(0.20)	-	-	0.00%	(0.20)
31 March 2020			0.02%	9.78	-0.06%	(0.13)	-	-	-0.01%	(0.13)
EKC Europe GmbH	Germany	100%								
31 March 2021			-0.57%	(356.68)	0.00%	0.40	-	-	0.00%	0.40
31 March 2020			-0.64%	(344.42)	-21.03%	(45.07)	-	-	-2.09%	(45.07)
EKC Positron Gas Limited (upto 10 July 2020) [Refer note (ii) below]	India	72.65%								
31 March 2021			0.00%	-	0.01%	0.76	-	-	0.01%	0.76
31 March 2020			0.01%	3.96	-0.25%	(0.54)	-	-	-0.03%	(0.54)
Intercompany Elimination and Consolidation Adjustments										
31 March 2021			-25.78%	(16,196.22)	174.86%	15,728.05	-513.16%	(538.88)	166.92%	15,189.17
31 March 2020			-73.43%	(39,486.22)	-327.04%	(700.92)	135.92%	2,639.28	89.90%	1,938.36
Total										
31 March 2021			**100.00%**	**62,826.37**	**100.00%**	**8,994.47**	**100.00%**	**105.01**	**100.00%**	**9,099.48**
31 March 2020			**100.00%**	**53,771.17**	**100.00%**	**214.32**	**100.00%**	**1,941.81**	**100.00%**	**2,156.13**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.)

Notes:

(i) 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.

(ii) During the year ended 31 March 2021, the Holding Company has entered into an agreement towards sale of its entire stake in EKC Positron Gas Limited and also towards purchase of balance equity shares in Calcutta Compressions and Liquefaction Engineering Limited. Pursuant to the aforesaid transactions, EKC Positron Gas Limited had ceased to be a subsidiary company and Calcutta Compressions and Liquefaction Engineering Limited had become a wholly owned subsidiary company. The difference between the consideration paid for purchase of balance equity shares and the decrease in non-controlling interests is adjusted in other equity. Refer note 20.

(b) Non-controlling interests

Below 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 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Current assets	**51.90**	197.50	**-**	3.96
Current liabilities	**1,497.50**	1,606.77	**-**	-
Net current assets	**(1,445.60)**	(1,409.27)	**-**	3.96
Non-current assets	**82.32**	325.85	**-**	-
Non-current liabilities	**-**	-	**-**	-
Net non-current assets	**82.32**	325.85	**-**	-
Net assets	**(1,363.28)**	(1,083.42)	**-**	3.96
Less: Intercompany elimination	**(1,337.97)**	(805.23)	**-**	-
Net assets after intercompany elimination and consolidation adjustments	**(25.31)**	(278.19)	**-**	3.96
Accumulated non-controlling interests	**-**	(76.08)	**-**	1.08

Summarised information on operating results (₹ in lakhs)

	Calcutta Compressions and Liquefaction Engineering Limited		EKC Positron Gas Limited	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Revenue from operations	**35.30**	1,000.86	**-**	-
Net Profit / (Loss) after tax *	**(132.87)**	(307.21)	**0.76**	(0.54)
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**(132.87)**	(307.21)	**0.76**	(0.54)
Net Profit for the year attributable to non-controlling interests	**(9.63)**	(84.02)	**-**	(0.15)
Dividends paid to non-controlling interests	**-**	-	**-**	-

* including Provision for impairment in property, plant and equipment of ₹ 140 lakhs. Refer note 2(vi).

Summarised cash flow information (₹ in lakhs)

	Calcutta Compressions and Liquefaction Engineering Limited		EKC Positron Gas Limited	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Net cash generated from / (used in) operating activities	**(70.10)**	(65.30)	**0.76**	(0.54)
Net cash generated from / (used in) investing activities	**68.48**	2.82	**-**	-
Net cash generated from / (used in) financing activities	**(5.24)**	(7.81)	**-**	-
Net increase / (decrease) in cash and cash equivalents	**(6.86)**	(70.29)	**0.76**	(0.54)

48 Segment reporting

(A) Geographical segment

(₹ in lakhs)

	India		United Arab Emirates		United States of America and Hungary		Others		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	**Year Ended 31 March 2021**	Year Ended 31 March 2020	**Year Ended 31 March 2021**	Year Ended 31 March 2020	**Year Ended 31 March 2021**	Year Ended 31 March 2020	**Year Ended 31 March 2021**	Year Ended 31 March 2020
(a) Segment revenue from continuing operations	**75,098.01**	50,158.25	**11,502.51**	13,599.19	**8,898.41**	12,725.02	**1,778.83**	2,361.54	**97,277.76**	78,844.00
Less: inter segment revenue	**511.50**	990.36	**1,822.34**	1,738.36	**-**	12.97	**30.93**	50.80	**2,364.77**	2,792.49
Total	**74,586.51**	49,167.89	**9,680.17**	11,860.83	**8,898.41**	12,712.05	**1,747.90**	2,310.74	**94,912.99**	76,051.51
Segment revenue from discontinued operations										
China									**-**	-
Total									**-**	-
(b) Segment results from continuing operations										
Segment results	**18,710.12**	5,715.23	**1,591.94**	1,119.93	**(4,077.59)**	(1,139.47)	**(3.94)**	(45.97)	**16,220.49**	5,649.72
Unallocable income / (expenses)									**89.96**	205.71
Foreign exchange variation (loss)/gain (net)									**906.76**	(702.86)
Finance costs									**2,495.70**	3,452.52
Profit before tax from continuing operations - (i)									**14,721.51**	1,700.05
Discontinued operations - (ii)										
China									**(162.55)**	(459.17)
									(162.55)	(459.17)
Tax expense - (iii)										
Current tax									**2,511.62**	535.55
Deferred tax									**3,052.87**	491.01
Profit from continuing operations after tax (i-iii)									**9,157.02**	673.49
Profit after tax from total operations attributable to:									**8,994.47**	214.32
Equity shareholders of the Holding Company									**9,004.10**	298.49
Non-controlling interests									**(9.63)**	(84.17)
Other Information										
(c) Segment assets of continuing operations (I)	**60,452.30**	46,779.45	**17,995.54**	17,676.00	**20,999.97**	22,760.05	**717.00**	1,207.21	**100,164.81**	88,422.71
Add: Unallocated assets									**4,459.25**	8,494.20
Total									**104,624.06**	96,916.91
Segment assets of discontinued operations (II)										
China									**-**	6,950.00
Total									**-**	6,950.00
Total segment assets (I+II)									**104,624.06**	103,866.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

		India		United Arab Emirates		United States of America and Hungary		Others		Total	
		As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
(d)	**Segment liabilities of continuing operations (III)**	**9,905.55**	9,517.22	**3,605.56**	1,996.10	**7,857.49**	7,184.68	**95.92**	53.63	**21,464.52**	18,751.63
	Add: Unallocated liabilities									**20,333.17**	31,013.09
	Total									**41,797.69**	49,764.72
	Segment liabilities of discontinued operations (IV)										
	China									-	331.00
	Total									**-**	331.00
	Total segment liabilities (III+IV)									**41,797.69**	50,095.72
(e)	**Capital expenditure of continuing operations**	**2,509.14**	720.04	**478.93**	237.29	**416.95**	886.37	**-**	0.97	**3,405.02**	1,844.67
	Add: Capital expenditure of discontinued operations-China									**-**	-
	Add: Unallocated capital expenditure									**-**	-
	Total									**3,405.02**	1,844.67
(f)	**Depreciation and amortisation of continuing operations**	**1,902.54**	2,316.54	**610.45**	579.70	**1,023.05**	1,436.78	**-**	1.28	**3,536.04**	4,334.30
	Add: Depreciation and amortisation of discontinued operations - China									**-**	-
	Total									**3,536.04**	4,334.30
(g)	**Other non-cash expenditure**	**-**	-	-	-	-	-	-	-	-	-
	Add: non-cash expenditure of discontinued operations									**-**	-
	Total									**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 Holding 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.

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 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Segment revenue *	**74,586.51**	49,167.89	**20,326.48**	26,883.62	**94,912.99**	76,051.51
Carrying cost of segment non-current assets included in total segment assets **	**23,694.88**	23,111.03	**14,500.77**	15,525.28	**38,195.65**	38,636.31

* 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 2021 and 31 March 2020, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 extinguishment and related 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 fighting 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 as net margin of such sale. (Refer note 17 and 28).

Disaggregation of revenue

(a) Revenue based on geography

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Within India	**74,586.51**	49,167.89
United Arab Emirates	**9,680.17**	11,860.83
United States of America and Hungary	**8,898.41**	12,712.05
Others	**1,747.90**	2,310.74
Total	**94,912.99**	76,051.51

(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Cylinders	**87,865.85**	72,222.88
Castor oil	**5,311.22**	1,451.60
Natural gas	**35.30**	1,000.86
Stores, spares and consumables	**397.63**	407.60
Fire fighting equipment	**468.46**	382.73
Cascade fittings	**175.00**	141.40
Others	**659.54**	444.44
Total	**94,912.99**	76,051.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Goods transferred at a point in time	**94,486.75**	73,215.60
Services transferred over time/control of goods transferred over time	**426.24**	2,835.91
Total	**94,912.99**	**76,051.51**

(d) Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price

(₹ in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per contracted price	**94,951.79**	76,104.93
Sales return	**38.80**	53.42
Revenue from contract with customers	**94,912.99**	76,051.51

(e) Contract balances

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade receivables [net of provision for doubtful debts of ₹ 1,481.58 lakhs (31 March 2020 ₹ 1,862.98 lakhs)]	**18,732.79**	13,700.85
Contract liabilities from contracts with customers	**5,263.85**	3,837.26

Information in respect of contract in progress:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Cost incurred on uncompleted contract	**6,716.88**	6,121.94
Estimated earnings	**4,102.73**	3,806.13
Revenue earned on uncompleted contract as at the end of year	**10,819.61**	9,928.07
Less: Billings on uncompleted contract as at the end of year	**(11,602.83)**	(9,928.07)
Billings in excess of revenue on uncompleted contracts	**(783.22)**	**-**

Significant changes in contract assets balances:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Contract assets	**-**	6.27
Add: Revenue recognised during the year	**891.54**	2,833.07
Less: Invoiced during the year	**(1,674.76)**	(2,839.34)
Closing balance	**(783.22)**	**-**

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 2021

50 (a) Earnings per share

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
I	Profit after tax from total operations	**8,994.47**	214.32
	Attributed to :		
a)	Equity shareholders of the Holding Company	**9,004.10**	298.49
b)	Non-controlling interests	**(9.63)**	(84.17)
II	Profit / (Loss) from discontinued operations after tax	**(162.55)**	(459.17)
III	Profit of continuing operations attributable to Equity shareholders of the Holding Company	**9,166.65**	757.66
IV	Weighted average number of equity shares outstanding during the year	**112,207,682**	112,207,682
V	Basic and diluted earnings per equity share (₹)		
	(i) Continuing operations (III/IV)	**8.17**	0.67
	(ii) Discontinued operations (II/IV)	**(0.15)**	(0.41)
	(iii) Total operations (i+ii)	**8.02**	0.26
	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 2021 and 31 March 2020. Consequently, basic and diluted earnings per share of the Holding Company remains the same.

50 (b) Ind AS 116, 'Leases'

The Group's lease assets primarily consist of leases for land, building (premises) and warehouses 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.

The maturity analysis of lease liabilities are disclosed in note 41.

The Group has accrued ₹ 47.50 Lakhs as lease rent expenses during the year ended 31 March 2021 (₹ 261.81 lakhs during 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 Consolidated Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Leasehold land	**106.64**	107.93
Buildings	**1,385.98**	1,642.15
	1,492.62	1,750.08
Lease liabilities		
Current	**402.10**	337.51
Non-current	**1,291.18**	1,607.77
	1,693.28	1,945.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Amounts recognised in Consolidated Statement of Profit and Loss:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Depreciation / Amortisation charge on Right-of-use assets		
Leasehold land	**1.29**	1.29
Buildings	**363.09**	343.67
	364.38	344.96
Interest expense included in finance cost	**119.58**	133.00
Expense relating to short-term leases	**47.50**	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)	**502.72**	471.75
Additions to the right-of-use assets during the current financial year	**134.26**	11.71

The movement in lease liabilities is as follows:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**1,945.28**	-
Adjustment on transition to Ind AS 116 [Refer note 50(b)]	**-**	2,179.00
Additions to the right-of-use assets during the year	**134.26**	11.71
Interest expense included in finance cost	**119.58**	168.51
Payment of lease obligations	**(502.72)**	(471.75)
Foreign currency translation adjustments	**(3.12)**	57.81
Lease liabilities	**1,693.28**	1,945.28
Current	**402.10**	337.51
Non-current	**1,291.18**	1,607.77

Details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Less than 1 year	**490.51**	469.56
1-5 years	**968.57**	1,343.09
More than 5 years	**533.72**	544.67
	1,992.80	2,357.32

51 Research and development expenses

Total research and development expenses incurred at CP Industries Holdings, Inc. were approximately ₹ 66.09 lakhs (31 March 2020: ₹ 64.88 lakhs). The entire research and development costs is not eligible for capitalisation and is debited to the Consolidated Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

52 **Assets Pledged as security**

The carrying amount of assets pledged as security are as under:

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Non-current assets		
Property, plant and equipment	**25,525.77**	29,266.87
Capital work-in-progress	**4,635.93**	2,607.58
Investment property	**1,114.53**	-
Intangible assets	**170.84**	88.97
Financial assets		
Trade receivables	**932.12**	-
Current assets		
Financial assets		
Trade receivables	**15,451.31**	10,835.80
Cash and cash equivalents	**5,477.69**	1,194.11
Bank balances other than cash and cash equivalents	**1,267.53**	2,280.71
Loans	**60.62**	100.24
Other financial assets	**359.71**	375.32
Non financial assets		
Inventories	**23,289.83**	21,995.50
Other current assets	**3,978.68**	1,615.04
Assets classified as held for sale	**273.85**	1,834.94
Total	**82,538.41**	72,195.08

53 The outstanding balances (before eliminating inter-company balances) of the Holding Company as at 31 March 2021 include trade payables aggregating ₹ 8,728.06 lakhs and trade receivables aggregating ₹ 152.09 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 statements, and accordingly, the accompanying 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 consolidated 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, trade receivables, capital advances, assets held for sale 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 statements, which may differ from impact considered as at the date of approval of these consolidated financials statements. 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.

55 During the year ended 31 March 2013, 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 2021, ₹ 100.75 lakhs (31 March 2020: ₹ 134.86 lakhs) have been recovered against the same. Management is confident of recovering the balance of receivables of ₹ 1,034.76 lakhs (31 March 2020: ₹ 1,157.71 lakhs).

56 The consolidated financial statements were authorised for issue by the Board of Directors on 24 June 2021.

As per our report of even date attached

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

Bharat Shetty
Partner
Membership No: 106815

Place : Mumbai
Date : 24 June 2021

For and on behalf of the Board of Directors

Pushkar Khurana
Chairman & Executive Director
DIN: 00040489
Place : Dubai
Date : 24 June 2021

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 24 June 2021

Sanjiv Kapur
Chief Financial Officer
Place : Mumbai
Date : 24 June 2021

Bhagyashree Kanekar
Company Secretary
Place : Mumbai
Date : 24 June 2021


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