

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

16th Audited Financial Statements
Year Ended March 31, 2022

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Independent Auditor's Report to the Sole Shareholder of

EKC International FZE

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

Report on the Financial Statements

We have audited the accompanying financial statements of EKC International FZE, Dubai, U.A.E. which comprise the Statement of Financial Position as at March 31, 2022, and the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

Opinion

Except for the following matters described in paragraph below, In our opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the company as at March 31, 2022, the Results of its Operations, Changes in Equity and its Cash Flows for the year ended March 31, 2022 in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and comply with Law no 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued by Jebel Ali Free Zone Authority, Government of Dubai, UAE.

Investment in Subsidiaries and Loans to them

As stated in Note 4 and 6 to the financial statements, the Company's Investments as at March 31, 2022 include Investments in Wholly Owned Subsidiaries aggregating to AED 28,383,523/-; and Unsecured Loans Given to Subsidiaries and Step Down Subsidiaries with interest thereon aggregating to AED 144,682,188/- and are being considered good and recoverable by the management. However these Subsidiaries have Accumulated Losses and their Networth is fully eroded. Further these Subsidiaries are facing liquidity constraints due to which they may not be able to achieve projections made as per their respective business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these Investments and recoverability of the aforesaid dues and the consequential impact if any on the accompanying Financial Statements. However interest income is being accounted on these loans. Refer Note 21.

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

These are standalone financial statements of the company. Financial statements consolidating the following companies are issued by the ultimate parent Everest Kanto Cylinder Limited, India.

EKC Europe Zrt., Hungary	80% subsidiary
EKC Europe GmbH, Germany	100% subsidiary
EKC Hungary Kft., Hungary	100% subsidiary
CP Industries Holding Inc., USA	Step down 100% subsidiary of EKC Hungary Kft., Hungary

Other Legal and Regulatory Requirements

As required by the Implementing Regulations, we further confirm that we have obtained all information and explanation necessary for our audit and that proper books of accounts have been kept by the company. We are not aware of any violation of the above mentioned Regulations and the Articles of Association, which may have had a material effect on the business of the company or on its financial position.

for Parag Parekh and Co
Chartered Accountants

Parag Pratap Parekh
MOE Regn no 449
Dubai, United Arab Emirates
Dated : May 24, 2022

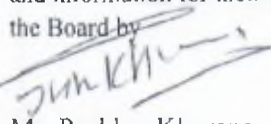


EKC International FZE, Jebel Ali Free Zone, Dubai, U.A.E.
As at March 31, 2022

Statement of Financial Position in UAE Dirhams

	Note	As at 31.3.2022	As at 31.3.2021
Non Current Assets			
Property, Plant and Equipment - Gross Block	Sch	77,696,016	74,783,291
Accumulated Depreciation		<u>-47,022,214</u>	<u>-44,500,708</u>
Net Block	a	30,673,802	30,282,583
Investment in Subsidiaries	3	29,128,533	28,383,523
Unsecured Loans Given to Subsidiaries	4	144,682,188	143,725,241
Sale proceeds of Investment in Associates Receivable	8	<u>728,966</u>	<u>1,979,702</u>
Sub Total	b	<u>174,539,687</u>	<u>174,088,466</u>
Current Assets			
Inventory	5	70,090,081	37,870,271
Sundry Debtors	6	6,626,908	9,781,063
Cash and Bank Balances	7	12,816,718	1,639,904
Deposits, Advances & Prepayments	9	12,064,833	10,280,577
Due from Related Parties incl RP Debtors (Net)	10	5,348,000	42,089,523
Duties and Taxes (Vat Refundable)	11	<u>154,819</u>	<u>122,573</u>
Sub total	c	<u>107,101,359</u>	<u>101,783,911</u>
Less : Current Liabilities			
Sundry Creditors	12	10,396,225	8,706,133
Accruals	13	1,585,107	572,814
Secured Loans from Banks - Current Portion	14	91,428	13,308,177
Unsecured Loans from Related Party	15	<u>0</u>	<u>1,858,578</u>
Sub total	d	<u>12,072,760</u>	<u>24,445,702</u>
Net Current Assets	e = c-d	95,028,599	77,338,209
Non Current liabilities			
Secured Loans from Banks - Non Current Portion	14, f	156,350	247,778
Provision for Employee Terminal Benefits		<u>586,485</u>	<u>0</u>
Sub total		<u>742,835</u>	<u>247,778</u>
Net Assets	a, b,e,f	<u>299,499,253</u>	<u>281,461,480</u>
Shareholders Equity			
Share Capital	1a	1,000,000	1,000,000
Additional Capital	1a	16,203,619	16,203,619
Accumulated Profits		<u>282,295,634</u>	<u>264,257,861</u>
Total		<u>299,499,253</u>	<u>281,461,480</u>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were authorised for issue on May 24, 2022 on behalf of the Board by


 Mr. Pushkar Khurana
 Managing Director



Parag Parekh & Co
 Chartered Accountants

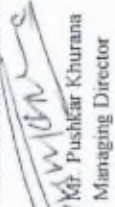


EKC International FZE
P.O. Box No. 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Income statement
Year Ended March 31, 2022

	Note	Y.E. 31.3.2022	Y.E. 31.3.2021	4th Q.E. 31.3.2022	3rd Q.E. 31.12.2021	2nd Q.E. 30.9.2021	1st Q.E. 30.6.2021
Sales							
Sales -Manufacturing		117,124,120	52,277,689	25,289,948	32,168,462	33,924,913	25,740,797
Sales-Trading		1,718,488	4,806,841	734,371	0	970,582	13,535
Sub - total		118,842,608	57,084,530	26,024,319	32,168,462	34,895,495	25,754,332
Increase (if Decrease) in Stock of FCI/WIP	16	5,715,679	873,569	6,859,423	822,135	-2,150,414	184,535
Total Income		124,558,287	57,958,099	32,883,742	32,990,597	32,745,081	25,938,867
Expenses							
Raw Materials Consumed	17	56,695,817	26,440,273	18,427,001	15,845,106	11,496,209	10,927,501
Trading Cost of Sales	18	1,177,159	3,326,639	381,580	0	784,063	11,516
Manufacturing Expenses	19	23,836,798	11,044,839	4,283,957	5,243,945	7,835,221	6,473,675
Personnel Expenses	20	10,808,566	7,420,303	3,718,370	2,384,433	2,402,149	2,303,614
Selling Expenses		7,824,057	2,463,255	1,947,953	2,306,566	2,406,582	1,162,956
Administrative Expenses		3,292,716	1,887,534	911,381	875,988	954,671	550,676
Finance Expenses		772,831	1,934,809	252,574	142,693	174,880	202,684
Interest Income from Loan to Related Parties	21	-1,600,441	-1,254,900	-244,015	-233,162	-879,159	-244,105
Depreciation	Sch	2,521,506	2,301,369	646,847	650,291	622,084	602,284
Total Expenses		105,329,009	55,564,121	30,325,648	27,215,860	25,796,700	21,990,801
Net Profit from Operations		19,229,278	2,393,978	2,558,094	5,774,737	6,948,381	3,948,066
Other Income		59,231	96,664	20,921	36,177	1,051	1,082
Net Profit		19,288,509	2,490,642	2,579,015	5,810,914	6,949,432	3,949,148
Exceptional Items							
Provision for Doubtful Debts	6iv	0	-5,191,074	0	0	0	0
Extra - Ordinary Items							
Loss on sale of Investment in Associate's Equity	8 & 22	-1,250,736	-23,580,735	2,169	9,599	214	-1,262,718
Net Profit / (Loss) carried to Accumulated Profits		18,037,773	-26,281,167	2,581,184	5,820,513	6,949,646	2,686,430

Financial statements were authorised on behalf of the Board by


Mr. Pushkar Khurana
Managing Director



Parag Parekh & Co
Chartered Accountants



EKC International FZE

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

Statement of Changes in Equity

Year Ended March 31, 2022

All figures are expressed in **UAE Dirhams**

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 31.3.2021	1,000,000	16,203,619	264,257,861	281,461,480
Transfer from Income Statement	0	0	18,037,773	18,037,773
Balance as at 31.3.2022	<u>1,000,000</u>	<u>16,203,619</u>	<u>282,295,634</u>	<u>299,499,253</u>
Balance as at 31.3.2020	1,000,000	16,203,619	290,539,028	307,742,647
Transfer from Income Statement	0	0	-26,281,167	-26,281,167
Balance as at 31.3.2021	<u>1,000,000</u>	<u>16,203,619</u>	<u>264,257,861</u>	<u>281,461,480</u>



EKC International FZE

Statement of Cash Flows in UAE Dirhams Year Ended March 31, 2022

	YE 31.3.2022	YE 31.3.2021	
I Cash flow from Operating Activities			
Net Profit / (Loss)	18,037,773	-26,281,167	
Add: Loss on Sale of Investment in Associates	1,250,736	22,257,786	
Add: Depreciation	2,521,506	2,301,369	
Add: Finance expenses	772,831	1,934,809	
Less : Interest Income from Fixed Deposits	-4,033	-6,471	
Less : Interest income from Related Parties	-956,947	-1,254,900	
Operating Profit before changes in operating assets and liabilities	21,621,866	-1,048,574	
Inventory	-32,219,810	6,607,273	
Sundry Debtors	3,154,155	1,510,210	
Deposits, Advances & Prepayments	-1,784,256	-7,260,938	
Sundry Creditors	1,690,092	1,089,301	
Accruals	1,012,293	128,052	
Provision for Employee Terminal Benefits	586,485	0	
Duties and Taxes (Vat Refundable)	-32,246	74,976	
Net Cash from / (used in) Operating Activities	-5,971,421	1,100,300	
II Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	-2,912,725	-2,379,527	
Sale proceeds of Investment in EKC China Received	0	16,993,145	
Unsecured Loans given to Subsidiaries	-956,947	837,000	
Fixed Deposits (Under Lien)	-136,382	3,797,240	
Investment in Subsidiaries (At Cost)	-745,010	0	
Due from Related Parties (Net)	36,741,523	5,033,629	
Interest Income from Related Parties	956,947	1,254,900	
Interest Income from Fixed Deposits	4,033	6,471	
Net Cash used in Investing Activities	32,951,439	25,542,858	
III Cash Flow from Financing Activities			
Secured Loans from Banks	-119,094	-140,935	
Unsecured Loan from Related Parties	-1,858,578	90,465	
Finance Expenses	-772,831	-1,934,809	
Net Cash from / (used) in Financing Activities	-2,750,503	-1,985,279	
Changes in Cash and Cash Equivalents	I+II+III	24,229,515	24,657,879
Cash & Cash Equivalents at the year beginning		-12,301,829	-36,959,708
Cash and Cash Equivalents at the year end		11,927,686	-12,301,829
Supplemental Cash Flow Statement Information			
Non-Cash Transactions		Nil	Nil



EKC International FZE

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

Accounting Policies and Explanatory Notes

Year Ended March 31, 2022

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

1a Legal Status

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

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

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

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

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

The company has established three branches as follows:

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

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

1b Business Activities

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

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



1c Management

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

2 Accounting Policies

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

a Accounting Basis

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

b. Measurement Basis

These Financial Statements have been prepared on historical cost basis.

c. Functional/ Presentation Currency

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



g Inventory (Section 13 -IFRS for SMEs)

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

h Trade Debtors (Section 11 - IFRS for SMEs)

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

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

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

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

Foreign currency transactions are converted into U.A.E. Dirhams at the prevailing rate of exchange.
Foreign currency balances as on Statement of Financial Position date are reinstated into U.A.E. Dirhams at the prevailing rate of exchange.
Foreign currency loss or gains arising are accounted to the Income Statement.



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

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

Where the company is a Lessee:

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

l Revenue Recognition

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

m Cash and Cash Equivalents

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

As at..	31.3.2022	31.3.2021
Cash in Hand	57,550	16,792
Balance with Banks		
Current Accounts	1,384,454	870,462
Bank Overdraft account	10,485,682	-13,189,083
Total	<u>11,927,686</u>	<u>-12,301,829</u>

3 Investment in Subsidiaries (at cost)

3a EKC Hungary Kft. Hungary (WOS)	28,247,627	28,247,627
3b EKC Europe GmbH, Germany (WOS)	135,896	135,896
3c EKC Europe Zrt- Hungary (80% Owned)	745,010	0
Total	<u>29,128,533</u>	<u>28,383,523</u>

Notes :

3a EKC Hungary Ltd, Hungary

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

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



- i As per management policy, these investments are retained at the rate of exchange on actual remittance. There will be no exchange losses arising due to fluctuations in the USD to HUF rates as the UAE Dirham is pegged to the U.S.Dollar at fixed exchange rate of 1 USD = 3.673 UAE Dirhams. The investments are in US Dollars and the eventual return of capital invested will also be in US Dollars. For info only USD 1 = HUF 331 as at 31.3.2022
- ii As a part of its globalisation in manufacturing 'CNG and other gases' cylinders, the company has incorporated a wholly owned subsidiary EKC Hungary Ltd. EKC Hungary Ltd. has further incorporated a wholly owned subsidiary CP Industries Holdings Inc., Pittsburgh, USA and acquired net assets of CP Industries, a division of Reunion Industries Inc., USA for USD 60.2M.
- iii Based on Auditors Report, the shareholders equity as at 31.12.2021 of EKC Hungary KFT (investee company) is negative at USD 8,724,656/- as against our equity investment of USD 7,689,182/-. However Management has opted not to write-down its investments in these standalone financial statements as the consolidated financial statements issued by the parent company reflect the write-downs / impairments after eliminating inter company balances.

3b EKC Europe GmbH, Germany

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

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

The investments are in Euro and the eventual return of capital invested will also be in Euro. For info only Euro 1 = AED 4.082 as at 31.3.2022

As per Management Accounts, the shareholders net equity as at 31.12.2021 of the investee company is negative at Euro 549,967/- as against our equity investment of Euro 27,000/-. However Management has opted not to write-down its investments in these standalone financial statements as the consolidated financial statements issued by the parent company reflect the write-downs / impairments after eliminating inter company balances.

3c EKC Europe Zrt, Hungary (80% owned) - At Cost

The subscribed share capital of the investee company is HUF 100,000,000/-. The company holds 80% shares in it i.e. HUF 80,000,000/.

The Main Business activity of the investee company as per registration is Manufacturing of tanks, reservoirs and containers of metal.

So far the company has remitted 75% against it's share of 80% i.e. USD 203,000/- OR AED 745,010/- equivalent to HUF 60,000,000/- ; eventual returns will also be in USD hence there will be no Exchange gain /loss. For info only USD 1 = HUF 331 as at 31.03.2022



As at..	31.3.2022	31.3.2021
4 Unsecured Loans Given to Subsidiaries		
a Loan given to wholly owned subsidiary, EKC Hungary (USD)	49,372,866	49,372,866
b Loan given to wholly owned subsidiary EKC Europe GmbH, Germany (Euro)	1,222,712	1,222,712
Interest receivable	129,142	95,082
c Loan given to step down subsidiary, CP Industries Holdings Inc. USA (USD)	77,592,608	77,592,608
Interest receivable	16,364,860	15,441,973
Total	144,682,188	143,725,241

Notes:

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

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

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

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

- iii The company has given US Dollar loans to its step down wholly owned subsidiary CP Industries Holdings Inc., USA bearing interest at floating rates of 3 months LIBOR + 1 % repayment date extended up to 31.3.2023; however it is not been repaid since July 2010 hence it is presented as non current assets.

Audited Shareholders Equity as at 31.12.2021 is negative at USD 17,333,273/-

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



As at..	31.3.2022	31.3.2021
5 Inventory (at FIFO method) <i>(As Valued, Verified & Certified by Managing Director)</i>		
Raw materials- Pipes	33,683,736	7,953,431
Raw materials - Valves	627,233	584,980
Work-in-Process	14,900,834	14,473,657
Finished Goods	11,641,080	6,352,578
Trading Goods	3,312,832	3,398,315
Fuel & Gas	49,323	34,970
Stores and Consumables	6,118,372	5,315,669
Sub Total	<u>70,333,410</u>	<u>38,113,600</u>
Provision for Slow Moving Items	-243,329	-243,329
Total	<u><u>70,090,081</u></u>	<u><u>37,870,271</u></u>
6 Sundry Debtors		
Sundry Debtors	11,817,982	14,972,137
Provision for Doubtful Debts	-5,191,074	-5,191,074
Total	<u><u>6,626,908</u></u>	<u><u>9,781,063</u></u>
Notes:		
i Outstanding for less than six months		
- Secured By LC	4,585,086	2,083,153
- Unsecured	1,950,308	6,500,458
Sub Total	<u>6,535,394</u>	<u>8,583,611</u>
ii Outstanding for more than six months		
- Secured By LC	0	1,167,941
- Unsecured	5,282,588	5,220,585
Sub Total	<u>5,282,588</u>	<u>6,388,526</u>
Total	<u><u>11,817,982</u></u>	<u><u>14,972,137</u></u>
iii Subsequent receipts till 19.4.2022	1,683,291	
iv Provision for doubtful debts is made for outstanding for more than 10 years.		
v Balances are taken as per books pending confirmations.		



As at.. 31.3.2022 31.3.2021

7 Cash & Bank Balances

Cash On Hand	57,550	16,792
Balance with Banks		
In Current Accounts	1,384,454	870,462
In Overdraft accounts (Debit balance)	10,485,682	0
In Fixed Deposits (Under lien)	889,032	752,650
Total	12,816,718	1,639,904

8 Sale Proceeds of Investment in Associates Receivable

Investment in 36.04% equity of EKC Industries (Tianjin) Co. Ltd., China. (At Cost)	41,230,633	41,230,633
Loss on Sales of Investment in Associate's Equity	-22,257,786	-22,257,786
Forex Loss and Provisions	-1,250,736	0
Sale Proceeds Received	-16,993,145	-16,993,145
Total	728,966	1,979,702

Note :

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

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

- ii The company has received AED 16,993,145/- against their share in their bank account on April 1, 2021.

- iii Balance amount is held in the escrow account ; subsequent balance as on 11.4.2022 is CNY 8,131,063/-

- iv Another party (Tianjin Xinbailum Technology Co. Ltd) has filed litigation against EKC Industries (Tianjin) Co. Ltd, China in the Tianjin Wuqing District Court, on the ground of dispute over some portion of land sold to them before executing above sale contract for RMB 93.5M. The company has lost the case and appealed to the higher court and accordingly provided for doubtful debts in the books.

- v Balance amount is in retention and will be released, upon fulfilment of contractual obligation, after December 17, 2023 hence it is presented as non current assets.



As at..	31.3.2022	31.3.2021
9 Deposits, Advances & Prepayments <i>(unsecured and considered good)</i>		
Deposits	243,944	226,242
Advances to Suppliers	11,656,042	9,931,962
Advance to Staff	3,468	6,015
Prepaid Expenses	161,379	116,358
Total	<u>12,064,833</u>	<u>10,280,577</u>
10 Due from Related Parties incl RP Debtors (Net)		
a EKC Industries -Dubai Branch of Parent Company -(net)	1,451,411	1,451,716
b Everest Kanto Cylinder Ltd, India (Parent Company)-(net)	781,497	43,123,117
c C.P.Industries Holding Inc., USA (Step Down WOS)	(1,018,304)	-1,542,894
d EKC Europe GmbH, Germany (Wholly Owned Subsidiary)	4,116,034	2,477,107
e EKC (Industries) Thailand Co Ltd (WOS of Parent Co)	0	-3,419,523
f EKC Hungary Kft, Hungary	17,362	0
Total	<u>5,348,000</u>	<u>42,089,523</u>
Balances are Confirmed by Related parties		
11 Duties and Taxes (Vat Refundable)		
Net Input For February and March (Unclaimed)	<u>154,819</u>	<u>122,573</u>
<i>(VAT refund to be claimed along with April 2022 vat figures : Return filing period February to April 2022)</i>		
12 Sundry Creditors		
For Capital Expenditure	31,330	48,590
For RM, Stores and Expenses	9,040,483	7,293,135
Advance from Customers	1,324,412	1,364,408
Total	<u>10,396,225</u>	<u>8,706,133</u>
Balances are taken as per Books pending confirmations		
13 Accruals		
Outstanding Expenses	1,017,923	97,150
Salaries and Wages Payable	567,184	475,664
Total	<u>1,585,107</u>	<u>572,814</u>



As at..

31.3.2022 31.3.2021

14 Secured loans from Banks

Current Portion

Bank Overdraft - NBF	0	13,189,083
Vehicle Loans from Bank	91,428	119,094
Total	<u>91,428</u>	<u>13,308,177</u>

Non Current Portion

Vehicle Loans from Bank	156,350	247,778
Total	<u>247,778</u>	<u>13,555,955</u>

Notes:

- a Total Facilities** of AED 38.125 Million from **National Bank of Fujairah PJSC**, Dubai, U.A.E. include AED 17.7 Million Overdraft Facility bearing interest rate of 1.8965% p.a. over 1M SOFR and AED 20 Million Trade Limit (Letter of Credit / Trust Receipt/ Performance Guarantees) bearing interest rate of 3.5% p.a. over 6 months EIBOR with 20% cash margin at the time of LC opening and AED 400,000/- Labour Guarantee facility with 100% Margin.

These facilities are secured by first degree registered mortgage over properties i.e. Factory and Office built on Plot nos. MO0313 & S21004 , Jebel Ali Free Zone, Dubai, U.A.E. for AED 27,500,000/- and AED 6,700,000/- respectively in favour of bank.

- b Total Facilities** of AED 7.03 Million are from **Abu Dhabi Commercial Bank**, Dubai, U.A.E. bearing rate of Interest of 1.1% p.a for overdraft.
- c Total Facilities** of AED 8.4 Million are from **Bank of Baroda** Dubai, U.A.E. bearing rate of Interest of 3M EIBOR + 5.55% with minimum 6.15% p.a. Facility includes Overdraft, Trust Receipts, Local Cheques / Bills Discounting, Export Bills Purchase / Discounting, and Letters of Credit and Performance Guarantees.

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

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

15 Unsecured Loan from Related Party

EKC Industries (Thailand) Co. Ltd.	0	1,247,800
Interest Payable on Loan taken	0	610,778
Total	<u>0</u>	<u>1,858,578</u>

The Loan was unsecured, repayable on demand, bearing interest rate of 7.25% p.a.

Interest payable on loan has been waived off as per confirmation letter dated August 10, 2021.



Year Ended..

31.3.2022

31.3.2021

16 Decrease / (Increase) in Stock

Work in Process

Opening Stock

14,473,657

15,956,937

Closing Stock

-14,900,834

-14,473,657

Sub Total

a

-427,177

1,483,280

Finished Goods

Opening stock

6,352,578

3,971,375

Transfer from Trading Cylinders

0

24,354

Closing Stock

-11,641,080

-6,352,578

Sub Total

b

-5,288,502

-2,356,849

Total

a+b

-5,715,679

-873,569

17 Raw Materials Consumed

Opening Stock

8,538,411

16,489,236

Purchases and Direct Expenses

82,495,295

19,511,844

Transferred to Trading Pipes

0

-1,012,196

Transferred to Trading Valves

-26,920

-10,200

Closing stock

-34,310,969

-8,538,411

Total

56,695,817

26,440,273

18 Trading Cost of Sales

Opening Stock

3,398,316

3,432,579

Trading Purchases & Direct Expenses

1,064,755

2,294,333

Transfer -In

RM Pipes to Trading Pipes

0

1,012,196

RM Valves to Trading Valves

26,920

10,200

Transfer -Out

Trading Cylinders to FG Cylinders

0

-24,354

Closing Stock

-3,312,832

-3,398,315

Total

1,177,159

3,326,639



Year Ended..	31.3.2022	31.3.2021
19 Manufacturing Expenses		
Fuel and Gas consumed		
Opening stock	34,970	31,417
Purchases	3,856,161	1,913,206
Closing Stock	-49,323	-34,970
Sub Total	a	
	<u>3,841,808</u>	<u>1,909,653</u>
Stores, Spares & Tools		
Opening Stock	5,315,669	4,839,330
Purchase	12,802,859	4,778,377
Closing Stock	b	
	<u>-6,118,372</u>	<u>-5,315,669</u>
Sub Total		<u>4,302,038</u>
Other Manufacturing overheads	c	
Total	a+b+c	
	<u>7,994,834</u>	<u>4,833,148</u>
	<u>23,836,798</u>	<u>11,044,839</u>
20 Personnel Expenses		
Wages and benefits to supervisors and workers	6,118,265	4,206,890
Salaries and benefits to staff	2,732,808	1,742,619
Salaries and benefits to Directors	1,957,493	1,470,794
Total		
	<u>10,808,566</u>	<u>7,420,303</u>
21 Interest Income from Loans Given to Related Parties		
Interest Income on Loan To CP Industries Holdings, USA	922,888	1,220,069
Interest Income on Loan To EKC Europe GmbH, Germany	34,059	34,831
Interest Payable on Loan Written Back- EKC Thailand	643,494	0
Total		
	<u>1,600,441</u>	<u>1,254,900</u>
22 Loss on sale of Investment in Associate's Equity		
Loss on sale of Investment in Associate's Equity	8	0
Agency Commission Payable (accounted in Creditors)		22,257,786
Forex Loss on sale of Investment in Associate's Equity		0
Provision for Doubtful Receivable - EKC China (P/L)		1,322,949
		290,736
		0
		960,000
Total		
	<u>1,250,736</u>	<u>23,580,735</u>



Year Ended..

31.3.2022

31.3.2021

23 Lease commitments

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

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

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

4,802,500

5,312,500

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

The lease is for the period 5.10.2018 to 4.10.2025 at a annual rent of AED 522,840/-.

1,829,940

2,352,780

Total

6,632,440

7,665,280

24 Contingent liabilities

- i Letter of Guarantees (staff visas) 400,000 500,000
- ii Balance Receivable on sale of Equity Investment in EKC China is held in Escrow Account under contractual terms. Any Contingent Liabilities which may arise on this receivable is not ascertainable.

25 Significant Events occurring after the Statement of Financial Position date

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

26 Related Parties (Section 33 - IFRS for SMEs)

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



Year Ended.. **31.3.2022** **31.3.2021**

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

i Everest Kanto Cylinder Ltd, India (Parent Company)

Sales Trading -Pipes	0	1,176,206
Sales Semi Finished (Steel Shell) - EKC Mumbai	737,670	0
Purchase Trading - Cylinders	440	858,059
Tr-Purchase CNG Vessel Storage Assembly	447,740	895,480
Purchase Trading - Fire fighting	52,467	0
Purchase R.M.- Pipes	0	389,621
Expenses - Stores Consumable	2,382,287	595,596
Expenses - Guarantee Commission on IDBI facility	0	105,663

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

Sales Mfg. - Export- CNG cylinders	524,590	409,656
Sales Trading - Cylinders	0	9,909
Interest Income on Loan To CP Industries Holdings, USA	922,888	1,220,069

iii EKC Europe GmbH, Germany

Sales Mfg. - Export - CNG / Industrial Cylinders*	4,489,747	6,570,166
Sales Trading - Cylinders	0	877,934
Freight Collected From Other -EKC Europe	32,573	0
Interest Income on Loan To EKC Europe GmbH, Germany	34,059	34,831
Sales Commission Expense - Ekc Europe GmbH, Germany	31,878	-

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

iv EKC Thailand Co Ltd

Expenses - Interest on Loan Taken	32,716	90,466
Interest Payable on Loan Written Back (Income)	643,494	0

v Sitting Fees to Independent Director

13,500 9,000

vi Salaries and benefits to Directors

1,957,493 1,470,794



Year Ended.. **31.3.2022** **31.3.2021**

27 Segment reporting

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

Sales	488,749	1,095,121
Cost of Sales		
Opening Stock	141,216	141,216
Purchase and Direct Expenses	350,500	540,794
Closing Stock	-141,216	-141,216
	350,500	540,794
 Gross Profit	 138,249	 554,327
 Indirect Expenses	 894,780	 661,271
Net Loss	-756,531	-106,944

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

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

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

a Fair Values

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

b Credit Risk, and Exchange Rate Risk Exposure.

i Credit Risk

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

The company's bank balances are placed with high credit quality financial institutions. As at March 31, 2022, three parties represented 69% of the outstanding trade debtors.



As at..	31.3.2022	31.3.2021
Country-wise break up of Trade Debtors :		
U.A.E.	5,191,407	5,506,048
Egypt	4,332,978	5,384,457
Mexico	793,671	1,358
Bangladesh	663,151	0
Oman	488,420	0
Sri Lanka	161,788	0
Colombia	95,372	1,121,813
Israel	64,836	0
India	26,359	1,124,632
Bulgaria	0	1,167,941
Algeria	0	425,720
Peru	0	231,727
U.S.A.	0	8,441
Total	<u>11,817,982</u>	<u>14,972,137</u>

ii Exchange Rate Risk

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

Balances Denominated in Euro

Sundry Debtors	64,836	0
Bank Balances	84,131	43
<i>EKC Europe GmbH, Germany (Wholly Owned Subsidiary):</i>		
Investment in Subsidiaries	135,896	135,896
Loans to Subsidiaries	1,222,712	1,222,712
Interest Receivable	129,142	95,082
Due from Related Parties	4,145,321	2,477,107

29 Number of Personnel as at Balance Sheet Date

Managing Director	1	1
Executive Director	1	1
Vice President (Fire Fighting Division)	1	1
Staff	18	17
Supervisors	21	22
Labours	173	133
Total	<u>215</u>	<u>175</u>



30 Previous Year's Figures

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

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

32 Additional information - Quantitative Reconciliation

Year Ended.. **31.3.2022** **31.3.2021**

a Manufacturing Operations (CNG Cylinders)

Licensed Capacity	Nil	Nil
Installed Capacity (no's) @ 24 hours per day	196,000	196,000
Number of manufacturing plants	2	2
Units Produced during the year (numbers)	169,455	100,870

Year Ended..

b Manufactured Goods - CNG Cylinders

	31.3.2022		31.3.2021	
	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	11,163	6,352,578	7,807	3,971,375
Production	169,455	82,746,276	100,870	42,577,048
Sales <i>at sale value</i>	156,082	117,124,120	97,514	52,277,689
Transfer	1,963	759,006	0	0
Closing stock	22,573	11,641,080	11,163	6,352,578



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

Property, Plant and Equipment Schedule

Year Ended March 31, 2022

All figures in UAE Dirhams

Particulars	Gross Block		Depreciation		Net Value	
	Cost at 31.3.2021	Cost at 31.3.2022	As at 31.3.2021	As at 31.3.2022	As at 31.3.2021	As at 31.3.2022
Factory Building - I	11,328,859	11,610,309	5,540,460	5,986,879	5,788,399	5,623,430
Factory Building - II	12,191,654	12,924,065	4,348,713	4,769,783	7,842,941	8,154,282
Residential Apartments	1,943,860	1,943,860	324,876	357,310	1,618,984	1,586,550
Plant and Machinery - I	22,418,207	22,684,534	15,170,190	15,711,772	7,248,017	6,972,762
Plant and Machinery - II	20,702,182	20,702,182	15,757,885	16,159,889	4,944,297	4,542,293
Factory Equipment	1,027,719	1,160,474	421,275	500,346	606,444	660,128
Vehicles	2,284,545	1,080,847	1,107,323	1,480,812	1,177,222	1,884,580
Furniture and Fixtures	2,182,189	394,456	1,219,766	1,399,200	962,423	1,177,445
Computers	397,355	24,479	341,145	374,321	56,210	47,513
Equipment (employees)	9,445	0	9,444	0	1	1
Air Conditioners	174,829	0	137,184	12,827	150,011	24,818
Office Equipment	122,447	0	122,447	0	37,645	0
Total	74,783,291	2,912,725	44,500,708	47,022,214	30,282,583	30,673,802

Notes:

- a Factory Buildings are constructed on leasehold land and are mortgaged against bank credit
- b Vehicles (cost) hypothecated against loans taken are 529,833
- c Vehicle costing AED 414,815/- is registered in the personal name of the Director.



EKC International FZE

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

“Other Information”**Year Ended..***All figures in UAE Dirhams***31.3.2022****31.3.2021****1 Significant Ratios**

Profit on trading sales	541,329	1,480,202
Profit on trading sales %	31.50%	30.79%
Net Profit from manufacturing sales excluding other income	18,687,949	913,776
Net Margin on manufacturing sales & Increase in stock	15.21%	1.72%
Raw materials consumed to mfg. sales & Increase in stock	46.15%	49.75%
Mfg. overheads to mfg. sales & Increase in stocks	19.40%	20.78%
Personnel costs to mfg. sales & Increase in stocks	8.80%	13.96%
Selling costs to mfg. sales & Increase in stocks	6.37%	4.63%
Admin costs to mfg. sales & Increase in stocks	2.68%	3.55%
Finance costs to mfg. sales & Increase in stocks	0.63%	3.64%
Depreciation to mfg. sales & Increase in stocks	2.05%	4.33%
Profit from operations on Sales (%)	16.18%	4.19%
Net Profit / (Loss) on sales (%)	15.18%	-46.04%
Return on Average Investment (%)	6.21%	-8.92%
Fixed assets turnover (times)	3.82	1.73
Current Ratio (Times)	8.87	4.16
Debt/ Equity Ratio (Times)	0.04	0.09
Inventory Turnover (Times)	1.70	1.51
Inventory Turnover (days)	215	242
Debtors turnover (days)	20	63



Year Ended..

31.3.2022

31.3.2021

2 Bank credit facilities in UAE Dirhams

Limits

Overdraft / Trust Receipts / LC / Guarantees

53,555,000

33,217,000

Utilization

Overdraft

0

13,189,083

Letters of Credit / Bank Guarantees

5,966,570

6,086,291

Total

5,966,570

19,275,374

Bankers (with credit facilities)

National Bank of Fujairah (NBF), Dubai, U.A.E.

Bank of Baroda (BOB), Dubai, U.A.E

Abu Dhabi Commercial Bank PJSC (ADCB), Dubai, U.A.E.

3 Business Risks And Coverage in AED

Insurance:

Policy Value

Book Value

Building I on Plot MO 313

8,500,000

5,623,430

Building II on Plot S2 1004

6,500,000

8,154,282

Plant and Machinery I on Plot MO 313 and Furniture etc.

15,000,000

8,882,666

Plant and Machinery II on Plot S2 1004

5,000,000

4,542,293

Property All Risks Coverage

35,000,000

27,202,671

4 Accounting Software

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

