

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

Audited Financial Statements
Year Ended March 31, 2024

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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, 2024**, and the Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

Opinion

Except for the following matters described in paragraph below, In our opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the company as at **March 31, 2024**, the Results of its Operations, Changes in Equity and its Cash Flows for the year ended March 31, 2024 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 3 and 4 to the financial statements, the Company's Investments as at March 31, 2024 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 151,361,821/- and are being considered good and recoverable by the management. However these Subsidiaries have Accumulated Losses and their Net worth 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.

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 and will be available on www.bseindia.com in due course.

EKC Hungary Kft., Hungary	100% subsidiary
CP Industries Holding Inc., USA	Step down 100% subsidiary of EKC Hungary Kft., Hungary
EKC Europe GmbH, Germany	100% subsidiary
EKC Europe Zrt., Hungary	80% subsidiary
EKC Egypt, Egypt	79.99% subsidiary

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 14, 2024



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

Statement of Financial Position in UAE Dirhams

As at March 31, 2024

	Note	As at 31.3.2024	As at 31.3.2023
Non Current Assets			
Property, Plant and Equipment - Gross Block	Sch	84,613,491	80,972,496
Accumulated Depreciation		<u>-52,286,968</u>	<u>-49,468,197</u>
Net Block		32,326,523	31,504,299
Capital Work in Progress		0	526,841
Sub total	a	<u>32,326,523</u>	<u>32,031,140</u>
Investment in Subsidiaries	3	31,403,554	30,176,439
Unsecured Loans Given to Subsidiaries	4	<u>151,361,821</u>	<u>147,822,848</u>
Sub Total	b	<u>182,765,375</u>	<u>177,999,287</u>
Current Assets			
Inventory	5	57,610,287	72,796,710
Sundry Debtors	6	9,020,193	12,136,078
Cash and Bank Balances	7	21,167,532	6,656,645
Sale proceeds of Investment in Associates Receivable	8	0	935,136
Deposits, Advances & Prepayments	9	3,909,871	4,747,996
Due from Related Parties incl RP Debtors (Net)	10	17,568,688	10,167,125
Duties and Taxes (Vat Refundable)	11	<u>300,684</u>	<u>331,370</u>
Sub total	c	<u>109,577,255</u>	<u>107,771,060</u>
Less : Current Liabilities			
Sundry Creditors	12	9,235,632	8,698,154
Accruals	13	1,589,810	1,403,691
Secured Loans from Banks - Current Portion	14	<u>134,436</u>	<u>1,579,249</u>
Sub total	d	<u>10,959,878</u>	<u>11,681,094</u>
Net Current Assets	e = c-d	98,617,377	96,089,966
Non Current liabilities			
Secured Loans from Banks - Non Current Portion	14	188,038	129,106
Provision for Employee Terminal Benefits		<u>674,121</u>	<u>602,954</u>
Sub total	f	<u>862,159</u>	<u>732,060</u>
Net Assets	a+b+e-f	<u>312,847,116</u>	<u>305,388,333</u>
Shareholders Equity			
Share Capital	1a	1,000,000	1,000,000
Additional Capital	1a	16,203,619	16,203,619
Accumulated Profits		<u>295,643,497</u>	<u>288,184,714</u>
Total		<u>312,847,116</u>	<u>305,388,333</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 14, 2024 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, 2024

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

	Note	Y.E. 31.3.2024	Y.E. 31.3.2023	4th Q.E. 31.3.2024	3rd Q.E. 31.12.2023	2nd Q.E. 30.9.2023	1st Q.E. 30.6.2023
Sales							
Sales -Manufacturing		83,410,062	89,620,732	14,042,759	28,533,265	18,971,316	21,862,722
Sales-Trading		1,917,392	1,689,681	286,250	6,470	1,401,760	222,912
Sub - total		85,327,454	91,310,413	14,329,009	28,539,735	20,373,076	22,085,634
Increase /(Decrease) in Stock of FG/WIP	15	-11,070,845	6,119,742	703,075	-7,365,814	-1,503,762	-2,904,344
Total Income		74,256,609	97,430,155	15,032,084	21,173,921	18,869,314	19,181,290
Expenses							
Raw Materials Consumed	16	37,059,262	55,699,462	8,533,703	10,356,327	9,079,724	9,089,508
Trading Cost of Sales	17	1,217,102	695,829	43,506	3,249	913,490	256,857
Manufacturing Expenses	18	12,734,888	16,114,368	2,892,661	2,502,274	3,275,481	4,064,472
Personnel Expenses	19	10,339,949	10,148,305	2,774,280	2,453,972	2,558,774	2,552,923
Selling Expenses		3,934,566	5,423,951	762,798	1,372,649	880,632	918,487
Administrative Expenses		3,960,685	3,569,014	789,405	1,312,777	912,803	945,700
Finance Expenses		269,439	239,365	85,588	49,351	36,928	97,572
Foreign Exchange Variation (Gain)/ Loss		-404,215	471,618	391,421	-425,951	-57,137	-312,548
Interest Income from Loan to Related Parties	20	-4,976,016	-3,140,660	-1,255,276	-1,265,191	-1,218,937	-1,236,612
Depreciation	Sch	2,818,771	2,668,157	721,827	703,697	701,149	692,098
Total Expenses		66,954,431	91,889,409	15,739,913	17,063,154	17,082,907	17,068,457
Net Profit from Operations		7,302,178	5,540,746	-707,829	4,110,767	1,786,407	2,112,833
Other Income		296,692	142,165	172,388	98,865	20,775	4,664
Net Profit		7,598,870	5,682,911	-535,441	4,209,632	1,807,182	2,117,497
Extra - Ordinary Items							
Forex Gain / (Loss) and Other Loss on Receivables from Sale of Investment in Associate's Equity	8&21	-140,087	206,169	-18,898	-56,264	-12,553	-52,372
Net Profit carried to Accumulated Profits		7,458,783	5,889,080	-554,339	4,153,368	1,794,629	2,065,125

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, 2024

All figures are expressed in **UAE Dirhams**

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 31.3.2023	1,000,000	16,203,619	288,184,714	305,388,333
Transfer from Income Statement	0	0	7,458,783	7,458,783
Balance as at 31.3.2024	1,000,000	16,203,619	295,643,497	312,847,116

Balance as at 31.3.2022	1,000,000	16,203,619	282,295,634	299,499,253
Transfer from Income Statement	0	0	5,889,080	5,889,080
Balance as at 31.3.2023	1,000,000	16,203,619	288,184,714	305,388,333



EKC International FZE

Statement of Cash Flows in UAE Dirhams Year Ended March 31, 2024

	YE 31.3.2024	YE 31.3.2023
I Cash flow from Operating Activities		
Net Profit / (Loss)	7,458,783	5,889,080
Add: "Forex Loss and Other Loss on Receivables from Sale of Investment in Associate's Equity	140,087	-206,169
Add: Depreciation	2,818,771	2,668,157
Add: Finance expenses	269,439	710,983
Less : Interest Income from Fixed Deposits	-281,604	-12,711
Less: Profit on Sale of Fixed Assets	0	-4,175
Less : Interest income from Related Parties	-4,976,016	-3,140,660
Operating Profit before changes in operating assets and liabilities	5,429,460	5,904,505
Inventory	15,186,423	-2,706,629
Sundry Debtors	3,115,885	-5,509,170
Deposits, Advances & Prepayments	838,125	7,316,837
Sundry Creditors	537,478	-1,698,071
Accruals	186,119	-181,416
Provision for Employee Terminal Benefits	71,167	16,469
Duties and Taxes (Vat Refundable)	30,686	-176,551
Net Cash from / (used in) Operating Activities	25,395,343	2,965,974
II Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	-3,114,154	-3,526,480
Capital Work in Progress	0	-526,841
Sale Proceeds of Vehicles	0	32,000
Fixed Deposits (Under Lien)	-25,527	221,434
Margin Accounts (Under lien)	-112,455	-616,011
Receipt of Sale Proceeds of Invt in Associate	795,049	0
Investment in Subsidiaries (At Cost)	-1,227,115	-1,047,906
Due from Related Parties (Net)	-7,401,563	-4,819,125
Interest Income from Fixed Deposits	281,604	12,711
Net Cash used in Investing Activities	-10,804,161	-10,270,218
III Cash Flow from Financing Activities		
Secured Loans from Banks	103,224	-28,528
Unsecured Loan from Related Parties	1,437,043	0
Finance Expenses	-269,439	-710,983
Net Cash from / (used) in Financing Activities	1,270,828	-739,511
Changes in Cash and Cash Equivalents	I+II+III	15,862,010
Cash & Cash Equivalents at the year beginning		-8,043,755
Cash and Cash Equivalents at the year end		3,883,931
		11,927,686
		19,745,941
		3,883,931
		-
		-
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, 2024

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..	31.3.2024	31.3.2023
Cash in Hand	43,042	57,096
<i>Balance with Banks</i>		
Current Accounts	791,874	3,618,061
Fixed Deposits (Free from Lien)	18,133,167	0
Bank Overdraft account	0	-1,489,105
Bank Overdraft account (Debit Balance)	777,858	1,697,879
Total	<u>19,745,941</u>	<u>3,883,931</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	745,010
3d EKC Egypt, Egypt (79.99% Owned)	2,275,021	1,047,906
Total	<u>31,403,554</u>	<u>30,176,439</u>



Notes :

3a EKC Hungary Kft, 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 364.33 as at 31.3.2024
- ii As a part of its globalisation in manufacturing 'CNG and other gases' cylinders, the company has incorporated a wholly owned subsidiary EKC Hungary Kft. EKC Hungary Kft, 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 As per Auditor's Report, the shareholders equity as at 31.12.2023 of EKC Hungary Kft is negative at USD 7,230,640/- 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 3.96 as at 31.3.2024

As per Management Accounts, the shareholders net equity as at 31.12.2023 of the investee company is negative at Euro 544,618/- 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 364.33 as at 31.03.2024

As per Management Accounts, the shareholders net equity as at 31.12.2023 of the investee company is HUF 62,967,000/-

3d EKC Egypt, Egypt (79.99% Owned) - At Cost

The Issued capital of the investee company is EGP 70,000,000/- (consist of 70,000 shares each of EGP 1,000 face value). The company initially held 79.99% shares and in the current year acquisition of 17.01% shares at face value is under process from the existing partner. Accordingly, the payment is made for the same in March-2024; allotment and registration of legal transfer of shares is under process. Aggregate shareholding in the investee company will be 97% after the transfer of shares or EGP 67,900,000/- .

So far the company has remitted 25% against it's share i.e. EGP 16,975,000/- (equivalent to AED 2,275,021/- and USD 619,597);

The main business activity of the investee company as per commercial register is manufacturing of high pressure vessels.

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 EGP 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 = EGP 47.33 as at 31.3.2024

As per Auditor's Report, the shareholders net equity as at 31.12.2023 of the investee company is EGP 8,641,193/-



As at..	31.3.2024	31.3.2023
4 Unsecured Loans Given to Subsidiaries		
a Loan given to wholly owned subsidiary, EKC Hungary Kft (USD)	49,372,866	49,372,866
b Loan given to wholly owned subsidiary EKC Europe GmbH, Germany (Euro)	0	1,222,712
Interest receivable	0	168,909
c Loan given to step down subsidiary, CP Industries Holdings Inc., USA (USD)	77,592,608	77,592,608
Interest receivable	24,396,347	19,465,753
Total	<u>151,361,821</u>	<u>147,822,848</u>

Notes:

- i** The company has given US Dollar loans to it's Wholly Owned Subsidiary EKC Hungary Kft, 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 had given Euro loans to it's Wholly Owned Subsidiary EKC Europe GmbH, Germany at a interest rate of 3 months EURIBOR + 3 %. p.a. repayable over 1 year and hence are considered as non current assets.

The loans are settled in Euro along with interest receivable in the current year.

- iii** The company has given US Dollar loans to it's step down wholly owned subsidiary CP Industries Holdings Inc., USA bearing interest at floating rates of 3 months SOFR + 1 % repayment date extended up to 31.3.2025; however it is not been repaid since July 2010 hence it is presented as non current assets.

As per Auditor's Report, Shareholders Equity as at 31.12.2023 is negative at USD 17,273,831/-

- 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..

31.3.2024

31.3.2023

5 Inventory (at FIFO method)

(As Valued, Verified & Certified by Managing Director)

Raw materials- Pipes	24,849,548	29,471,247
Raw materials - Valves	462,872	572,913
Raw materials - Cascade	1,533,210	1,402,586
Work-in-Process	12,786,263	12,875,409
Finished Goods	9,764,919	19,824,881
Trading Goods	3,799,156	3,312,832
Fuel & Gas	63,478	60,357
Stores and Consumables	4,471,704	5,397,348
Sub Total	57,731,150	72,917,573
Provision for Slow Moving Items	-120,863	-120,863
Total	57,610,287	72,796,710

6 Sundry Debtors

Sundry Debtors	9,020,193	17,327,152
Provision for Doubtful Debts	0	-5,191,074
Total	9,020,193	12,136,078

Notes:

i Outstanding for less than six months

- Secured By LC	6,041,281
- Unsecured	1,707,389
Sub Total	7,748,670

ii Outstanding for more than six months

- Secured By LC	188,074
- Unsecured	1,083,448
Sub Total	1,271,522

Total	9,020,193
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iii Subsequent receipts till 20.4.2024

5,277,043

iv Balances are taken as per books pending confirmations.

v Provided debts are written off during the year.



As at.. 31.3.2024 31.3.2023

7 Cash & Bank Balances

Cash On Hand	43,042	57,096
Balance with Banks		
In Current Accounts	791,874	3,618,061
In Overdraft accounts (Debit balance)	777,858	1,697,879
In Fixed Deposits (Under lien)	693,125	667,598
Fixed Deposits (Free from Lien)	18,133,167	0
In Margin Accounts (Under lien)	728,466	616,011
Total	<u>21,167,532</u>	<u>6,656,645</u>

8 Sale Proceeds of Investment in Associates Receivable

Investment in 36.04% equity of EKC Industries (Tianjin) Co. Ltd., China. (At Cost)	41,230,633	41,230,633
Loss on Sales of Investment in Associate's Equity	-22,257,786	-22,257,786
Forex Loss, compensation and expenses	-1,184,652	-1,044,566
Sale Proceeds Received	-17,788,195	-16,993,145
Total	<u>0</u>	<u>935,136</u>

Note :

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

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

- ii The company has received AED 17,788,195/- in various dates and against their share in their bank account, AED 1,184,652/- written off as compensation, court fees and forex loss over the periods and there is no outstanding.



As at..	31.3.2024	31.3.2023
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9 Deposits, Advances & Prepayments

(unsecured and considered good)

Deposits	764,615	744,509
Advances to Suppliers	2,723,112	3,698,069
Advance to Staff	45,313	12,193
Prepaid Expenses	376,831	293,225
Total	3,909,871	4,747,996

10 Due from Related Parties incl RP Debtors (Net)

a EKC Industries -Dubai Branch of Parent Company -(net)	1,185,772	1,291,133
b Everest Kanto Cylinder Ltd, India (Parent Company)-(net)	-38,672	697,152
c C.P.Industries Holding Inc., USA (Step Down WOS)	-545,913	-1,028,701
d EKC Europe GmbH, Germany (WOS)	6,690,241	6,691,328
e EKC Hungary Kft, Hungary (WOS)	17,362	17,362
f EKC Egypt, Egypt (79.99% subsidiary)	10,259,898	2,498,851
Total	17,568,688	10,167,125

11 Duties and Taxes (Vat Refundable)

i Net Input For November 2023 to January 2024 Received 154,843/- subsequently on 1.4.2024	154,843	208,483
ii Net Input For February and March 2024 (Unclaimed) (VAT refund to be claimed along with April 2024 vat figures ; Return filing period February to April 2024)	145,841	122,887
	300,684	331,370

12 Sundry Creditors

For Capital Expenditure	0	9,412
For RM, Stores and Expenses	5,254,068	7,564,683
For Trading Goods	70,080	195,591
Advance from Customers	3,386,234	928,468
Negative Bank Balance (Taken as Creditors)	525,250	0
Total	9,235,632	8,698,154

Balances are taken as per Books pending confirmations



As at..

31.3.2024

31.3.2023

13 Accruals

Outstanding Expenses	982,648	860,107
Salaries and Wages Payable	607,162	543,584
Total	<u>1,589,810</u>	<u>1,403,691</u>

14 Secured loans from Banks

Current Portion

Bank Overdraft -BOB	0	1,489,105
Vehicle Loans from Bank	134,436	90,144
Total	<u>134,436</u>	<u>1,579,249</u>

Non Current Portion

Vehicle Loans from Bank	<u>188,038</u>	<u>129,106</u>
Total	<u>322,474</u>	<u>1,708,355</u>

Notes:

- a Total Facilities** of AED 34.58 Million from **National Bank of Fujairah PJSC**, Dubai, U.A.E. include AED 14.18 Million Overdraft Facility bearing interest rate of 1.9% p.a. over 1M SOFR and AED 20 Million Trade Limit (Letter of Credit / Trust Receipt/ Performance Guarantees) bearing interest rate of 3% p.a. over 3 months EIBOR and if availed for 6 months 3.% 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 8.4 Million are from **Bank of Baroda** Dubai, U.A.E. bearing rate of Interest of 3M EIBOR + 5.05% 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.

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



Year Ended..

31.3.2024

31.3.2023

15 Decrease / (Increase) in Stock

Work in Process

Opening Stock	12,875,409	14,900,835
Provision for slow moving (New)	0	113,487
Provision for slow moving (reversed as stock utilised)	0	-82,230
Closing Stock	-12,786,263	-12,875,409
Sub Total	a 89,146	2,056,683

Finished Goods

Opening stock	19,824,881	11,641,080
Provision for slow moving (New)	0	7,376
Transferred from Trading Cylinder to FG Cascade set	921,737	0
Closing Stock	-9,764,919	-19,824,881
Sub Total	b 10,981,699	-8,176,425
Total	a+b 11,070,845	-6,119,742

16 Raw Materials Consumed

Opening Stock	31,446,746	34,310,969
Purchases and Direct Expenses	32,547,185	53,022,696
Provision for slow moving (reversed as stock utilised)	0	-161,099
Transferred to Trading Valves	-89,039	-26,358
Closing stock	-26,845,630	-31,446,746
Total	37,059,262	55,699,462

17 Trading Cost of Sales

Opening Stock	3,312,833	3,312,832
Trading Purchases & Direct Expenses	2,536,123	669,471

Transfer -In

RM Valves to Trading Valves	89,039	26,358
-----------------------------	--------	--------

Transfer -Out

Trading Cylinder to FG Cascade set	-921,737	0
Closing Stock	-3,799,156	-3,312,832
Total	1,217,102	695,829



Year Ended..	31.3.2024	31.3.2023
18 Manufacturing Expenses		
Fuel and Gas consumed		
Opening stock	60,357	49,323
Purchases	2,475,033	3,682,326
Closing Stock	-63,478	-60,357
Sub Total	a 2,471,912	3,671,292
Stores, Spares & Tools		
Opening Stock	5,397,348	6,118,372
Purchase	3,434,817	4,820,263
Closing Stock	b -4,471,704	-5,397,348
Sub Total	4,360,461	5,541,287
Other Manufacturing overheads	c 5,902,515	6,901,789
Total	a+b+c 12,734,888	16,114,368
19 Personnel Expenses		
Wages and benefits to supervisors and workers	5,361,969	5,573,847
Salaries and benefits to staff	2,681,459	2,351,259
Salaries and benefits to Directors	2,296,521	2,223,199
Total	10,339,949	10,148,305
20 Interest Income from Loans Given to Related Parties		
Interest Income on Loan To CP Industries Holdings, USA	4,930,594	3,100,893
Interest Income on Loan To EKC Europe GmbH, Germany	45,422	39,767
Total	4,976,016	3,140,660
21 'Forex Loss and Other Loss on Receivables from Sale of Investment in Associate's Equity		
Forex Loss on Total Receivable of the Sale of Investment in Associate's Equity	56,474	126,808
Compensation to Tianjin Xinbalun Tech Co - China	0	616,588
Court Case Expenses - EKC China	83,613	10,435
Provision for Doubtful Receivable EKC China - reversed in FY 2022-23 on losing the court case and recorded actual compensation payable as above.	0	-960,000
Total	140,087	-206,169



Year Ended..

31.3.2024

31.3.2023

22 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/-.

3,782,500

4,292,500

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

The lease is for the period 5.4.2022 to 4.10.2025 at a annual rent of AED 586,945/-(revised from 5.4.2022)

880,418

1,467,363

Total

4,662,918

5,759,863

23 Contingent liabilities

- i Letter of Guarantees (staff visas)**

200,000

300,000

24 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.



25 Related Parties (Section 33 - IFRS for SMEs)

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

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

Year Ended..	31.3.2024	31.3.2023
i Everest Kanto Cylinder Ltd, India (Parent Company)		
Trading Sale (Fire Fighting) EKC Mumbai	0	12,313
Purchase Trading - Cylinders	383,699	0
Purchase Trading - Fire fighting	59,807	182,800
Expenses - Stores Consumable	65,602	356,149
Clearing & Forwarding Inward - Fire Fighting	0	5,388
Clearing & Forwarding Export - Fire Fighting	45,008	0
Cascade - Components & Fittings	57,012	0
ii CP Industries Holdings Inc., U.S.A. (Step Down Subsidiary)		
Sales Mfg. - Export- CNG cylinders	465,907	612,009
Freight Collected (sales)	16,882	120,890
Interest Income on Loan To CP Industries Holdings, USA	4,930,594	3,100,893
iii EKC Europe GmbH, Germany (100% subsidiary)		
Sales Mfg. - Export - CNG / Industrial Cylinders*	19,088,330	11,949,159
Freight Collected From Other -EKC Europe	4,626	78,043
Trading Purchase (Cylinders) -EKC Europe	177,933	0
Stores and consumables	9,833	0
Factory Expense	67,807	0
Interest Income on Loan To EKC Europe GmbH, Germany	45,422	39,767
Sales Commission Expense - EkC Europe GmbH, Germany	17,910	0
*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 Sitting Fees to Independent Director	15,000	13,000
v Salaries and benefits to Directors	2,296,521	2,223,199



Year Ended..

31.3.2024

31.3.2023

26 Segment reporting

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

Sales	536,747	1,643,804
Cost of Sales		
Opening Stock	141,216	141,216
Purchase and Direct Expenses	109,412	665,104
Closing Stock	-141,216	-141,216
	<u>109,412</u>	<u>665,104</u>
Gross Profit	427,335	978,700
Indirect Expenses	808,835	599,501
Net Profit / (Loss)	<u>-381,500</u>	<u>379,199</u>

27 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, 2024, three parties represented 81% of the outstanding trade debtors. (P.Y. 56%)

As at..	31.3.2024	31.3.2023
Country-wise break up of Trade Debtors :		
U.A.E.	886,421	8,171,142
Egypt	6,847,654	5,749,290
Mexico	0	497,593
Bangladesh	0	1,975,194
Oman	0	488,420
Sri Lanka	0	378,171
Colombia	1,095,539	0
Israel	188,074	64,836
India	2,505	2,505
Total	9,020,193	17,327,152
	-	-

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	188,074	64,836
Bank Balances	14,940,489	1,996,515
Sundry Creditors	60,172	133,237

EKC Europe GmbH, Germany (Wholly Owned Subsidiary):

Investment in Subsidiaries	135,896	135,896
Loans to Subsidiaries	0	1,222,712
Interest Receivable	0	168,909
Due from Related Parties	6,687,650	6,872,962



28 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	19
Supervisors	21	23
Labours	144	165
Total	186	210

29 Previous Year's Figures

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

- 30** 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.

31 Additional information - Quantitative Reconciliation

Year Ended.. **31.3.2024** **31.3.2023**

a Manufacturing Operations (CNG Cylinders)

Licenced Capacity	Nil	Nil
Installed Capacity (no's) @ 24 hours per day	196,000	196,000
Number of manufacturing plants	2	2
Units Produced during the year (numbers)	104,082	138,732

Year Ended..
b Manufactured Goods - CNG Cylinders

	31.3.2024		31.3.2023	
	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	39,219	19,824,881	22,573	11,641,080
Production	104,082	46,069,327	138,732	85,394,963
Sales at sale value	124,391	83,410,062	122,086	89,620,732
Closing stock	18,910	9,764,919	39,219	19,824,881



EKC International FZE
P.O. Box 61041, Jebel Ali Free

Property, Plant and Equipment Schedule

Year Ended March 31, 2024
All figures in UAE Dirhams

Particulars	Gross Block		Depreciation		Net Value	
	Cost at 31.3.2023	Cost at 31.3.2024	As at 31.3.2023	As at 31.3.2024	As at 31.3.2023	As at 31.3.2024
Factory Building - I	13,184,051	13,948,781	6,467,364	6,993,219	6,716,687	6,955,562
Factory Building - II	12,929,065	13,020,115	5,200,495	5,631,531	7,728,570	7,388,584
Residential Apartments	1,943,860	1,943,860	389,748	422,184	1,554,112	1,521,676
Plant and Machinery- I	24,081,592	1,992,673	16,286,115	16,911,273	7,795,477	9,162,992
Plant and Machinery- II	20,702,182	0	16,561,893	16,963,897	4,140,289	3,738,285
Factory Equipment	1,160,474	12,406	575,077	639,136	585,397	533,744
Vehicles	3,183,392	197,889	1,668,340	2,068,084	1,515,052	1,313,197
Furniture and Fixtures	2,875,934	432,325	1,598,709	1,841,505	1,277,225	1,466,754
Computers	493,675	75,959	419,536	474,946	74,139	94,688
Equipment (employees)	9,445	0	9,444	9,444	1	1
Air Conditioners	286,379	73,963	169,029	209,302	117,350	151,040
Office Equipment	122,447	0	122,447	122,447	0	0
Total	80,972,496	3,640,995	49,468,197	52,286,968	31,504,299	32,326,523

Notes :

- a Factory Buildings are constructed on leasehold land and are mortgaged against bank credit facilities.
- b Vehicles (cost) hypothecated against loans taken are : AED 672,936
- c Vehicle costing to 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..****31.3.2024****31.3.2023***All figures in UAE Dirhams***1 Significant Ratios**

Profit on trading sales	700,290	993,852
Profit on trading sales %	36.52%	58.82%
Net Profit from manufacturing sales excluding other income	6,601,888	4,546,894
Net Margin on manufacturing sales & Increase in stock	9.13%	4.75%
Raw materials consumed to mfg. sales & Increase in stock	51.23%	58.18%
Mfg. overheads to mfg. sales & Increase in stocks	17.60%	16.83%
Personnel costs to mfg. sales & Increase in stocks	14.29%	10.60%
Selling costs to mfg. sales & Increase in stocks	5.44%	5.67%
Admin costs to mfg. sales & Increase in stocks	5.48%	3.73%
Finance costs to mfg. sales & Increase in stocks	0.37%	0.25%
Depreciation to mfg. sales & Increase in stocks	3.90%	2.79%
Profit from operations on Sales (%)	8.56%	6.07%
Net Profit / (Loss) on sales (%)	8.74%	6.45%
Return on Average Investment (%)	2.41%	1.95%
Fixed assets turnover (times)	2.58	2.84
Current Ratio (Times)	10.00	9.23
Debt/ Equity Ratio (Times)	0.04	0.04
Inventory Turnover (Times)	1.48	1.25
Inventory Turnover (days)	246	291
Debtors turnover (days)	39	49



Year Ended..

31.3.2024

31.3.2023

2 Bank credit facilities in UAE Dirhams

Limits

Overdraft / Trust Receipts / LC / Guarantees

42,980,000

50,010,000

Utilization

Overdraft

0

1,489,105

Letters of Credit / Bank Guarantees

5,236,746

3,816,184

Total

5,236,746

5,305,289

Bankers (with credit facilities)

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

Bank of Baroda (BOB), 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

6,955,562

Building II on Plot S2 1004

6,500,000

7,388,584

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

20,953,000

11,409,218

Plant and Machinery II on Plot S2 1004

10,819,000

3,738,285

Property All Risks Coverage

46,772,000

29,491,649

4 Accounting Software

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

