

August 29, 2023

To,

BSE LIMITED P.J. Towers, Dalal Street, Mumbai – 400 001 BSE Scrip Code: 532684	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Symbol: EKC NSE Series: EQ
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Sub: Annual Report for the Financial Year 2022-23

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the Financial Year 2022-23 along with the Notice convening the 44th Annual General Meeting (AGM) scheduled to be held on Friday, September 22, 2023 at 4:00 p.m. (IST) through Video Conferencing/ Other Audio-Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

In compliance with the aforesaid circulars, the Annual Report along with the Notice of the AGM has been sent only by electronic mode to those shareholders whose e-mail address is registered with the Company/ Registrar and Transfer Agent of the Company / Depository Participants.

The Annual Report along with the Notice of the 44th AGM for the Financial Year 2022-23 is also available on the website of the Company at www.everestkanto.com.

Please take the above information on record.

Thanking you,

Sincerely,
For Everest Kanto Cylinder Limited

Vishal Totla
Company Secretary and Compliance Officer

Encl.

**EVEREST
KANTO
CYLINDER
LIMITED**

**Manufacturers
of high pressure
Seamless
Gas Cylinders**

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

CIN L29200MH1978PLC020434

Tel. : +91-22-3026 8300 / 01

Fax : +91-22-2287 0720

Website : www.everestkanto.com





EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

India is hydrogen ready !



ANNUAL REPORT

2023



P. K. KHURANA

The historic moon landing remains a significant achievement for India's space program. EKC's remarkable contribution of large-capacity, high-pressure gas cylinders supplied to ISRO for testing rocket engines played a pivotal role in this success.

The legacy of P. K. Khurana is of immense importance to us, and we proudly carry it forward. Our unwavering commitment to ethics and dedication, fuelled by his inspiration, remains as strong as ever.





Clean Energy Solution Company

EVEREST KANTO CYLINDER LIMITED



Largest Manufacturer of High Pressure Gas Cylinders & vessels from 1 Ltr. to 3000 Ltr.

Powered by 5 plants Located in India, Dubai & USA

Over 6 million cylinders sold worldwide

More than 900+ Employees

Our products are globally approved as per International Standards: IS/ISO/DOT/EN

Quality Assurance & certified by Inspection Agencies like PESO/BIS/BV

www.everestkanto.com

Board of Directors



MR. PUSHKAR KHURANA
Chairman, Executive Director



MR. PUNEET KHURANA
Managing Director



MR. M. N. SUDHINDRA RAO
Independent Director



MR. GHANSHYAM KARKERA
Independent Director



DR. VAIJAYANTI PANDIT
Independent Director



MRS. UMA ACHARYA
Independent Director



MR. SANJIV KAPUR
Chief Financial Officer

BOARD COMMITTEES

Audit Committee

Mr. Ghanshyam Karkera (Chairperson)
Mr. Puneet Khurana (Member)
Mr. M. N. Sudhindra Rao (Member)
Mrs. Uma Acharya (Member)

Nomination & Remuneration Committee

Mr. M. N. Sudhindra Rao (Chairperson)
Mrs. Uma Acharya (Member)
Mr. Ghanshyam Karkera (Member)
Mr. Pushkar Khurana (Member)

Stakeholders' Relationship Committee

Mrs. Uma Acharya (Chairperson)
Mr. Ghanshyam Karkera (Member)
Mr. Pushkar Khurana (Member)
Mr. Puneet Khurana (Member)

Corporate Social Responsibility Committee

Mrs. Uma Acharya (Chairperson)
Dr. Vaijayanti Pandit (Member)
Mr. Pushkar Khurana (Member)
Mr. Puneet Khurana (Member)

Risk Management Committee

Mr. M. N. Sudhindra Rao (Chairperson)
Mr. Puneet Khurana (Member)
Dr. Vaijayanti Pandit (Member)

Sexual Harassment of Women at Workplace Committee

Mrs. Uma Acharya (Chairperson)
Ms. Shubhangi Shinde (Member)
Ms. Reena Shah (Member) (upto 23 November, 2022)

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai -.400 083
Tel. : (022) 4918 6000
Fax. : (022) 4918 6060
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vishal Totla (w.e.f. 15 May, 2023)
Ms. Reena Shah (upto 23 November, 2022)

BANKERS TO THE COMPANY

State Bank of India
ICICI Bank Limited
HDFC Bank Limited

STATUTORY AUDITORS

M/s Walker Chandiook & Co LLP, Chartered
Accountants, Mumbai
(Formerly Walker, Chandiook & Co.)

REGISTERED OFFICE

204, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point,
Mumbai – 400 021.
Tel.: 91 22 4926 8300 - 01
Fax: 91 22 4926 8354
E-mail: investors@ekc.in
Website: www.everestkanto.com

CONTENTS	Page No.
Notice	1
Directors' Report	13
Business Responsibility & Sustainability Reporting	27
Management Discussion & Analysis	55
Report on Corporate Governance	61
Auditors' Report on Standalone Financial Statements	77
Standalone Balance Sheet	86
Standalone Statement of Profit and Loss	87
Standalone Statement of Cash Flows	88
Standalone Statement of Changes in Equity	90
Notes to the Standalone Financial Statements	91
Auditor's Report on the Consolidated Financial Statements	141
Consolidated Balance Sheet	148
Consolidated Statement of Profit and Loss	149
Consolidated Statement of Cash Flows	150
Consolidated Statement of Changes in Equity	152
Notes to the Consolidated Financial Statements	153

NOTICE

Notice is hereby given that the Forty-Fourth Annual General Meeting of the Members of **Everest Kanto Cylinder Limited** will be held on Friday, September 22, 2023 at 4:00 p.m. through Video Conference (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023, which includes the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2023, the Balance Sheet as at that date, the Auditor's Report and the Reports of the Board of Directors thereon.
2. To declare a final dividend of ₹ 0.70 per equity share (Face Value of ₹ 2 each) for the financial year ended March 31, 2023.
3. To appoint a Director in place of Mr. Pushkar Khurana (DIN: 00040489) who retires by rotation and being eligible, offers himself for re-appointment.
4. **Appointment of Auditors:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Suresh Surana & Associates LLP, (SSA) Chartered Accountants (Firm Registration No. 121750W/W-100010), who have confirmed their eligibility for appointment as Auditors in terms of Section 141 of the Act, be and are hereby appointed as the Statutory Auditors of the Company for a term of five years, in place of the retiring Auditors, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N) who have completed two terms of 5 consecutive years, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty-Ninth AGM of the Company to be held in the year 2028, to examine and audit the accounts of the Company for the financial years 2023-24 to 2027-28 at a remuneration of ₹ 35 Lakhs per annum, plus applicable taxes and out-of-pocket expenses, if any incurred in connection with the Audit, as mutually agreed upon between the Board of Directors of the Company and SSA.

RESOLVED FURTHER that any one Director/Chief Financial Officer/Secretary of the Company, be and are hereby severally authorized to do all such deeds, matters, acts, things, as may be necessary to give effect to this Resolution."

SPECIAL BUSINESS:

5. **To Re-appoint Mr. Ghanshyam Karkera as an Independent Director of the Company:**
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, re-appointment of Mr. Ghanshyam Karkera (DIN: 00001829), who was appointed as an Independent Director at the Fortieth Annual General Meeting of the Company and who holds office up to October 29, 2023 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the LODR Regulations and who has submitted declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years on the Board of the Company commencing with effect from October 30, 2023 up to October 29, 2028 be and is hereby approved."

6. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024:**

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

"RESOLVED THAT in accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 2,50,000/- plus applicable tax and out-of-pocket expenses of M/s. Shekhar Joshi & Co., Cost Accountants (Membership No. 10700) appointed by the Board of Directors as the Cost Auditor of the Company for the financial year 2023-24 fixed by the Board of Directors on the recommendation of the Audit Committee, be and is hereby ratified and confirmed."

By Order of the Board of Directors

Vishal Totla

Company Secretary & Compliance Officer
Membership No: A26757

Mumbai
August 10, 2023

Registered Office

204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021.

CIN: L29200MH1978PLC020434

Tel.: 91 22 4926 8300 - 01. Fax: 91 22 4926 8301.

Email: investors@ekc.in. Website: www.everestkanto.com

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") has vide its General Circular Nos. 20/2020, dated May 5, 2020, read with other General Circulars issued from time to time, dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and Circulars issued by the Securities and Exchange Board of India (SEBI) dated May 12, 2020 and January 15, 2021 (SEBI Circulars) permitting the holding of the Annual General Meeting (AGM) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue up to September 30, 2023. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and MCA Circulars, the 44th AGM of the Company is being held through VC/OAVM on Friday, September 22, 2023 at 4:00 p.m. (IST). The deemed venue for the 44th AGM shall be the Registered Office of the Company at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021.
2. The Explanatory Statement pursuant to Section 102 of the Act, setting out the material facts concerning the business under Item Nos. 4 to 6 of the Notice is annexed hereto. The relevant details pursuant to Regulation 36(3) of the LODR Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed. Disclosure pursuant to Regulation 36(5) of the LODR Regulations regarding proposed fees payable to Suresh Surana & Associates LLP to be appointed as Statutory Auditors in place of Walker Chandok & Co LLP, along with reason of material change in the fees and basis of recommendation of appointment and credential of SSA forms part of the explanatory statement. Board of Directors of the Company consider matters under Special Business of the 44th AGM Notice unavoidable and hence included.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE AGM IS BEING HELD IN ACCORDANCE WITH THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. THE FACILITY FOR THE APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE AT THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
4. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
5. Corporate members intending to appoint their authorized representatives pursuant to Section 113 of the Act, to attend the 44th AGM through VC/OAVM or to vote through remote e-voting are requested to send to the Company certified true scanned copies of the Board Resolution / Letter of Authorisation / Power of Attorney (PDF format) to the Scrutinizer by email at akb111981@gmail.com with a copy marked to investors@ekc.in.
6. In line with the MCA Circulars, the Notice of the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / DPs / RTA. The Company shall send a physical copy of the Annual Report to those Members who request for the same at investors@ekc.in mentioning their Folio No. / DP ID and Client ID. The Notice convening the 44th AGM and Annual Report 2022-23 has been uploaded on the website of the Company at www.everestkanto.com, under investor section and may also be accessed from the relevant section on the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investors@ekc.in.
8. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 16, 2023, to Friday, September 22, 2023 (both days inclusive) for the purpose of the 44th AGM.
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest. Members are also advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant (DP) and holdings should be verified.
10. The Members, desiring any information relating to the accounts, are requested to write to the Company at an early date, to enable the Management to keep the information ready. Non-resident Indian Members are requested to inform the Company on investors@ekc.in or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.
11. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective DPs. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive

dividend on time in line with the Circulars. We urge Members to utilize the ECS for receiving dividends. Please refer point no. 16 for the process to be followed for updating bank account details.

12. Members may note that the Board, at its meeting held on May 29, 2023, has recommended a final dividend of ₹ 0.70 per share. The record date for the purpose of final dividend for fiscal 2023 is Friday, September 15, 2023. The final dividend, once approved by the Members at the ensuing AGM, will be paid on or after September 27, 2023 electronically through various online transfer modes to those Members who have updated their bank account details. For Members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, Members are requested to update their KYC with their respective DPs (where shares are held in dematerialized mode) and with Link Intime India Private Limited, the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
13. Pursuant to SEBI Circular dated April 20, 2018, the Company is required to use electronic mode of payment approved by the Reserve Bank of India for making payment of dividend to the Members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the Members are available with the Company/RTA. Intimation regarding remittance of dividend through electronic mode will be sent separately to the Members. Dividend warrants will be sent to the Members whose bank details are not available with the Company/RTA by post.
14. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, Members are requested to notify change of address or particulars of their bank account, if any, to the RTA of the Company in case of shares held in physical form and to their respective DPs in case shares held in electronic form.
15. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)
- 10%* or as notified by the Government of India;

Members not having PAN / valid PAN - 20% or as notified by the Government of India.

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹ 5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident Shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. To avail the benefit of non-deduction of tax at source kindly email the required forms to investors@ekc.in or rnt.helpdesk@linkintime.co by 6:00 p.m. IST on or before Thursday, September 15, 2023.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable Sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962.
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders.
- Self-declaration in Form 10F.
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

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

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

- a) the Shareholder satisfies the requisite criteria for submission of the same and takes full responsibility for availing the TDS deduction exemption;
- b) the Company or RTA will not be held responsible / liable and no claims shall lie against them in this regard;
- c) the online submission of the Form 15G/Form 15H (if made) shall be deemed to have been signed by the Shareholder.

The forms are also available on Company's website at www.everestkanto.com. The aforementioned documents are required to be mailed to investors@ekc.in or rnt.helpdesk@linkintime.co by 6:00 p.m. IST before Friday, September 15, 2023. No communication will be accepted from members after September 15, 2023.

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

16. Members are requested to address all correspondence, including dividend-related matters, to the RTA of the Company, Link Intime India Private Limited, Unit: Everest Kanto Cylinder Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083, Maharashtra (India).

17. Members wishing to claim dividend that remain unclaimed are requested to connect with the RTA as mentioned above, or with the Secretary of the Company, at the registered office address of the Company or through an email at investors@ekc.in. Members are requested to note that dividends lying unclaimed in the Company's Dividend Account for 7 consecutive years from the date of transfer, is required to be transferred to Investor Education and Protection Fund (IEPF) after 7 years. Also, shares on which Dividend remained unclaimed are also be transferred to IEPF Authority as per Section 124 of the Act, read with applicable IEPF rules.
18. In compliance with Section 108 of the Act, read with the corresponding Rules, Regulation 44 of the LODR Regulations the Company is providing a facility to its Members to exercise their votes electronically through the electronic voting (remote e-voting) facility provided by the Central Depository Services (India) Limited (CDSL). **Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again.** The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mr. Aashish K. Bhatt, Practicing Company Secretaries, as Scrutinizers to scrutinize the e-voting in a fair and transparent manner. The Scrutinizer after scrutinizing the votes will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges, CDSL and RTA, and will also be displayed on the Company's website, www.everestkanto.com. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the 44th AGM, i.e. September 22, 2023.
19. As mandated by SEBI, effective from April 1, 2019 securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
20. A person, whose name is recorded in Register of Members or in Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cutoff date of Friday, September 15, 2023 shall be entitled to avail the facility of remote e-voting/ e-voting at the AGM.
21. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. Friday, September 15, 2023, may cast their votes electronically. The e-voting period commences on Tuesday, September 19, 2023 (9:00 a.m. IST) and ends on Thursday, September

21, 2023 (5:00 p.m. IST). The e-voting module will be disabled by CDSL thereafter. A Member will not be allowed to vote again on any Resolution on which vote has already been casted. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, September 15, 2023. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.

- 22. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- 23. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become Member of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Friday, September 15, 2023, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is

already registered with CDSL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. Friday, September 15, 2023 may follow steps mentioned in the Notice under **'Instructions to Shareholders for remote e-voting and joining the 44th AGM virtually are as under'**.

- 24. We, urge the Members to support our commitment towards environmental protection by choosing receiving the communications sent by the Company through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and Members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime India Private Limited at rnt.helpdesk@linkintime.co, to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for updation of their records:

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited at rnt.helpdesk@linkintime.co or by post to 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021.	
	Form for registration of PAN, KYC details or changes / updation thereof.	Form - ISR 1
	Form for confirmation of signature of securities holder (shareholder) by the Banker.	Form - ISR 2
	Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies.	Form - ISR 3
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form - ISR-4
	Form for Registration of Nomination.	Form No. SH-13
	Form for Cancellation or Variation of Nomination registered with the Company	Form No. SH-14
	The forms for updating the above details are available at Announcement To Physical Shareholders – EVEREST KANTO CYLINDER LIMITED	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP	

- 25. SEBI has vide its various circulars mandated the submission of PAN, KYC details and nomination by holders of physical securities by September 30, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA at rnt.helpdesk@linkintime.co.in, in the ISR forms for available at the website of the Company at www.everestkanto.com. Members holding shares in demat form are, therefore, requested to submit their KYC and Nomination details to their respective DPs. In case a holder of physical securities fails to furnish these details before

September 30, 2023, the RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

26. As per the provisions of Section 72 of the Act, Members can opt for nomination in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the investor section of the website of the Company. Members are requested to submit these details to their DP in case the shares are held by them in demat form, and to the RTA, in case the shares are held in physical form.
27. The Scrutinizer will submit his report to the Chairman of the Company (“the Chairman”) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer’s report shall be communicated to the Stock Exchanges, CDSL and RTA, and will also be displayed on the Company’s website: www.everestkanto.com.

INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING THE 44TH AGM VIRTUALLY ARE AS UNDER:

- (i) The remote e-voting facility will be available during the following period:
- Commencement of e-voting:** From 9:00 a.m. (IST) on Tuesday, September 19, 2023. **End of e-voting:** Up to 5:00 p.m. (IST) on Thursday, September 21, 2023. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 15, 2023 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.
- (ii) The Members who have cast their vote by remote e-voting prior to the 44th AGM may attend/ participate in the Meeting through VC / OAVM but will not be entitled to vote again during the AGM.

- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of LODR Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ Resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- **Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website: www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3) If the user is not registered for Easi / Easiest, option to register is available at cdsl website: www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p>

Type of shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 1800 1020 990 and 1800 22 44 30</p>

- **Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders:
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - 6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

- (vi) After entering these details appropriately, click on “**SUBMIT**” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the “EVEREST KANTO CYLINDER LIMITED”.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional facility for Non – Individual Shareholders and Custodians – Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at akb111981@gmail.com and to the Company at investors@ekc.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
5. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Shareholders who would like to express their views / ask questions during the AGM may register themselves as a Speaker by sending their request in advance at least **7 days prior to the 44th AGM** mentioning their name, demat account number/folio number, email id, mobile number at investors@ekc.in. The Shareholders who do not wish to speak during the 44th AGM but have queries may send their queries in advance **5 days prior to Meeting** mentioning their name, demat account number / folio number, email id, mobile number at investors@ekc.in. Queries received will be replied to by the Company suitably via email.
 8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 9. Only those Shareholders, who are present at the 44th AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 44th AGM.
 10. If any Votes are cast by the Shareholder through the e-voting available during the 44th AGM and if the same Shareholder have not participated in the Meeting through VC / OAVM facility, then the votes cast by such Shareholders may be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.

INSTRUCTIONS TO SHAREHOLDERS ATTENDING THE 44TH AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the 44th AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend the AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote again at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. **For Physical Shareholders** - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. **For Demat Shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat Shareholders** - Please update your email id & mobile no. with your respective DP which is mandatory while e-Voting & joining virtual meetings through Depository.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

By Order of the Board of Directors

Vishal Totla
Company Secretary & Compliance Officer
Membership No: A26757

Mumbai
August 10, 2023

Registered Office

204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021.

CIN: L29200MH1978PLC020434

Tel.: 91 22 4926 8300 - 01. Fax: 91 22 4926 8301.

Email: investors@ekc.in. Website: www.everestkanto.com

Annexure I to this Notice

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 6 of the accompanying Notice dated August 10, 2023.

ITEM NO. 4

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), however, the same is strictly not required as per Section 102 of the Act.

At the 39th Annual General Meeting (AGM) of the Company held on September 29, 2018, the Members had approved the re-appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company, for a second term of 5 consecutive year to hold office till conclusion of 44th AGM of the Company to be held in 2023. Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, no listed company can appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years.

In view of the aforesaid provision and based on the recommendations of the Audit Committee, the Board of Directors have, at its Meeting held on August 10, 2023, proposed the appointment of M/s. Suresh Surana & Associates LLP, Chartered Accountants (SSA) (Firm Registration No. 121750W/W-100010) as Statutory Auditors for a term of five consecutive years from the conclusion of 44th AGM till the conclusion of 49th AGM of the Company to be held in the year 2028, to examine and audit the accounts of the Company for the financial years 2023-24 to 2027-28 (both inclusive) on remuneration plus applicable taxes and out-of-pocket expenses incurred, if any, in connection with the Audit, as mentioned below:

● **Remuneration:**

₹ 35 lakhs per annum including fees for tax audit, plus applicable taxes and out-of-pocket expenses incurred, if any, in connection with the Audit of the Company. For the first year 2023-24 the fees payable would be on pro rata basis for 3 quarters.

● **Reason for material change in the fees:**

The Company has closed the operation of its China subsidiary and transferred its ownership as well as voluntarily wound up the Thailand subsidiary which resulted in reduction of quantum of activity required to be carried out by the Auditors. In view of the above the Remuneration of SSA, the proposed Auditors is mutually agreed by the Board and SSA at ₹ 35 lakhs per annum including fees for tax audit, plus applicable taxes and out-of-pocket expenses, if any, incurred in connection with the Audit.

● **Basis of recommendation of appointment:**

The Audit Committee and the Board of Directors, while recommending the appointment of SSA as the Statutory Auditor of the Company taken into consideration reputation of the firm with ranking in top 10 CA firms; collaboration with the foreign CA firm- RSM International (largest accounting and consulting firm in United States); staff strength; ISO certification; track record and pan India presence and eligibility criteria as prescribed under the Act.

● **Credentials of SSA:**

SSA is a reputed Chartered Accountants Firm in India with rank 6 firm of the Country comprising qualified Chartered Accountants, Company Secretaries, Lawyers, Engineers registered with the Institute of Chartered Accountants of India with Registration No. 121750W/W-100010. The Firm is established in 1992 and has a valid peer review. It has presence across key cities in India. The firm has ISO9001 and ISO27001 certification and Empanelled with CAG and other regulators.

SSA provide various services viz. Audits & Risk Advisory, Corporate Advisory, Tax & GST, IT Systems Assurance & Solutions and Transfer Pricing. Several publications/ research papers/workshops released/hosted on regular basis as a part of learning and research culture. They audit several large listed companies in India.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Act read with the Companies

(Audit and Auditors) Rules, 2014 and LODR Regulations, SSA have provided their consent for their appointment as Statutory Auditors and have confirmed and issued a certificate that, if appointed, their appointment will be in accordance with the limits specified under the Act and they meet the criteria for appointment as specified in Section 141 of the Act.

The Board commends the Resolution set out at Item No. 4 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 4 of the accompanying Notice.

ITEM NO. 5

At the 40th AGM of the Company held on September 30, 2019, the Members had approved the appointment of Mr. Ghanshyam Karkera as Independent Director for a term of five years with effect from October 30, 2018 up to October 29, 2023.

In accordance with Section 149(10) of the Act, an Independent Director shall hold office for a term up to five years on the Board and shall be eligible for re-appointment on passing a Special Resolution and disclosure of such appointment is required to be made in the Directors' Report. Section 149(11) of the Act provides that an Independent Director may hold office for two consecutive terms of five years each.

Taking into consideration the skills, experience, knowledge of Mr. Ghanshyam Karkera in the field of finance and legal and his valuable contribution to the Company and based on his performance evaluation, it is desirable to continue to avail his services and re-appoint him for a second term of five years to hold office from October 30, 2023 up to October 29, 2028.

Accordingly, the Board of Directors have at the Meeting held on August 10, 2023, based on the recommendation of the NRC, proposed the re-appointment of Mr. Ghanshyam Karkera as Independent Director of the Company for second term, as aforesaid. As an Independent Director, Mr. Ghanshyam Karkera is not liable to retire by rotation.

Mr. Karkera has given his declaration that he is not disqualified from being re-appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received the declaration from him that he meets the criteria of independence as prescribed under the Act and the LODR Regulations. In terms of Regulation 25(8) of the LODR Regulations, Mr. Karkera has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Karkera has also given his declaration pursuant to BSE Circular No. LIST/COMP114/2018-19 dated June 20, 2018 that he is not debarred from holding office of Director by virtue of any order passed by the SEBI or any other such authority. The Company has received notice in writing under Section 160(1) of the Act from a Member proposing the re-appointment of Mr. Ghanshyam Karkera as an Independent Director under the provisions of Section 149 of the Act.

In the opinion of the Board, Mr. Ghanshyam Karkera fulfils the conditions specified in the Act, Rules made thereunder and the

LODR Regulations for his re-appointment as an Independent Director and that he is independent of the Management of the Company. The terms and conditions of re-appointment of Mr. Karkera shall be open for inspection by the Members in electronic mode till the conclusion of the 44th AGM. The Members may write an email to investors@ekc.in by mentioning 'Request of inspection' in the subject of the email.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. Ghanshyam Karkera and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution as set out at Item No. 5 of the accompanying Notice.

ITEM NO. 6

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records for products covered under the aforesaid Rules conducted by a Cost Accountant in practice. Your Company is engaged in manufacturing of seamless steel gas Cylinders for which Cost Audit is applicable to the Company.

The Board of Directors of the Company have, based on the recommendation of the Audit Committee, approved the re-appointment and remuneration of M/s. Shekar Joshi & Co., Cost Accountants (Membership Number 10700) as the Cost Auditors to conduct audit of the cost records maintained by the Company for the financial year ending March 31, 2024, at a remuneration of ₹ 2.50 lakhs plus applicable taxes. M/s. Shekar Joshi & Co., have furnished a certificate regarding their eligibility for appointment as Cost Auditor of the Company and confirmed that they are not disqualified under the provisions of Section 148(5) read with Sections 139 and 141(3) of the Act and their appointment would be within the limits prescribed under Section 141(3)(g) of the Act.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is being sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending March 31, 2024.

The Board commends the Resolution at Item No. 6 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors

Vishal Totla

Company Secretary & Compliance Officer
Membership No: A26757

Mumbai
August 10, 2023

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

Name of the Director	Mr. Pushkar Khurana	Mr. Ghanshyam Karkera
Director Identification Number	00040489	00001829
Brief resume	Mr. Pushkar Khurana oversees International Business operation of the Company. Over the years, he has played an instrumental role in overall business development of the Company. Mr. Pushkar Khurana is a commerce graduate from Mumbai University and has also completed a course in business management from U.S.A. He is associated with EKC Group since last 28 years. Mr. Pushkar Khurana is has a vast experience in the international and global markets and is one the reason behind of business expansion and diversification of EKC group globally.	Mr. Karkera is the fellow member of the Institute of Company Secretaries of India, Institute of Chartered Accountants of India, Associate Member of Cost Accountants of India and an Associate of Indian Institute of Banking and Finance. He has also completed LLB(Spl.). He has vast experience in the field of Audit and Taxation, Financial planning, project Financing, Rehabilitation of sick units and overall Management of Companies. He is also empaneled as mediator.
Date of Birth	July 17, 1972	September 18, 1957
Age	51 years	66 years
Nationality	Indian	Indian
Date of first appointment on the Board	September 9, 1994 and designated as Executive Chairman w.e.f. 14.11.2019	October 30, 2018
Qualifications	B.com, MBA in Business Management	CA, CS, CMA, LLB (Special), DISA(ICAI), CAIIB
Experience	29 years	45 years
Expertise in specific functional area	Expertise in International Business Expansion and Diversification	In the field of finance as mentioned above
Terms and conditions of re-appointment	Terms of Re-appointment are as per the provisions of the Companies Act, 2013	Terms of Re-appointment are as per the provisions of the Companies Act, 2013
Remuneration sought to be paid	Commission	Sitting Fees for attending Board/Committee Meetings; Commission
Remuneration last drawn	As mentioned in Corporate Governance Report forming part of Annual Report 2023	As mentioned in Corporate Governance Report forming part of Annual Report 2023
Relationship with other Directors and Key Managerial Personnel of the Company	Mr. Pushkar Khurana is Brother of Mr. Puneet Khurana (Managing Director)	None
Number of meetings of the Board attended during 2022-23	Held – 4 Attended – 4	Held – 4 Attended – 4
Number of shares held in the Company (as on March 31, 2023)	1,02,39,973 shares of ₹ 2 each	Nil
Directorship held in other public companies (excluding foreign companies & Section 8 companies)	Calcutta Compressions & Liquefaction Engineering Limited	Revalyu Recycling (India) Limited
Chairmanships / Memberships of committees of the other companies	Nil	Audit Committee – Member Stakeholders Relationship Committee- Member

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 44th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2023 is summarized below:

(₹ in Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Continuing Operations				
Revenue from operations	78,965.46	1,26,781.61	1,27,449.09	1,69,882.81
Other income	387.12	1,065.48	544.76	1,360.88
Total Income	79,352.58	1,27,847.09	1,27,993.85	1,71,243.69
Profit before exceptional items and tax	8,843.89	34,048.48	11,578.48	35,989.00
Profit before tax from continuing operations	9,083.65	33,504.77	9,471.76	37,136.56
Profit after tax from continuing operations	7,204.49	22,817.07	7,589.11	26,452.92
Discontinued Operations				
Profit / (Loss) from discontinued operations before tax	-	-	-	62.00
Profit from discontinued operations after tax	-	-	-	62.00
Profit after tax from total operations	7,204.49	22,817.07	7,589.11	26,514.92
Total Comprehensive Income	7,232.49	22,811.16	10,434.95	27,809.64
Earnings per share (not annualised) (in ₹):				
Basic & diluted earnings per share (face value of ₹ 2/- each)				
(i) Continuing operations	6.42	20.34	6.79	23.58
(ii) Discontinuing operations	-	-	-	0.06
(iii) Total operations	6.42	20.34	6.79	23.64

PERFORMANCE REVIEW

Performance of the Company during FY23, was lower as compared to last year. Frequent increase in CNG gas prices resulted in decline in consumption of CNG and therefore, significantly impacted the demand for CNG cylinders, primarily in the commercial vehicle (CV) segment. However, the industrial segment of the Company helped in offsetting the decline and supported the performance.

On standalone basis, for the financial year 2022-23, revenue from operations stood lower at ₹ 78,965.46 Lakhs as compared to ₹ 1,26,781.61 Lakhs previous year. Accordingly, Net Profit for financial year 2022-23 was also lower at ₹ 7,204.49 Lakhs as compared to ₹ 22,817.07 Lakhs last year.

On consolidated basis, the Company sold 8,00,874 units during financial year 2022-23 as compared to 11,03,620 units in the previous year. Revenue for financial year 2022-23 stood at ₹ 1,27,449.09 Lakhs against the previous year's revenues of ₹ 1,69,882.81 Lakhs. Net profit after tax from continuing

operations ₹ 7,589.11 Lakhs for financial year 2022-23 was lower against ₹ 26,452.92 Lakhs for financial year 2021-22.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries for the year 2022-23 are prepared in compliance with the applicable provisions of the Companies Act, 2013 (the Act) and as stipulated under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto ("hereinafter referred to as LODR Regulations"), as well as in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. Further, as per Section 129 of the Act and IND AS-27 on Consolidated and Separate Financial Statements, the Audited Consolidated Financial Statements together with Auditors' Report thereon forms part of this Annual Report.

DIVIDEND

Keeping in view the risks and returns associated with the business and expected increase in the scalability of operations of the Company, your Directors are pleased to recommend for approval of Members, a final dividend of ₹ 0.70 per equity share of face value of ₹ 2/- each (35%) for the year ended March 31, 2023. The dividend would result in a cash outflow of ₹ 785 Lakhs.

DIVIDEND DISTRIBUTION POLICY

The Company has formulated Dividend Distribution Policy in accordance with Regulation 43A of the LODR Regulations for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy is available on the website of the Company: <https://everestkanto.com/wp-content/uploads/2023/08/EKC-Dividend-Distribution-Policy.pdf>.

TRANSFER TO RESERVES

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

DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013

The Company has neither accepted nor renewed any Deposits from the public within the ambit of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans given, guarantees provided and investments made, have been duly disclosed in the financial statements.

SHARE CAPITAL STRUCTURE

The Paid-up Share Capital of the Company is ₹ 2,244 Lakhs divided into 11,22,07,682 Equity Shares of ₹ 2/- each.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no such event which may lead to material changes / commitments that would affect the financial position of the Company, between the period from the end of the financial year and the date of this report.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has adequate internal financial control system (IFCs) to commensurate with the size, scale and complexity of its operations. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigation action on continuing basis. These are routinely tested and certified by Statutory as well as Internal Auditors. The audit observations, if any, on internal financial controls are periodically reported to the

Audit Committee for review. The Auditors Report also includes their reporting on IFCs over Financial Reporting.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No such orders have been passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED

Pursuant to Section 148(1) of the Act the Company has maintained cost records as specified by the Central Government.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2022-23, as stipulated under Regulation 34(2)(e) read with Schedule V of LODR Regulations, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Pursuant to Schedule V of LODR Regulations, the Corporate Governance Report along with the Secretarial Auditors' Certificate thereon forms part of the Annual Report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Act and Regulation 21 of LODR Regulations, the Company has a Risk Management Committee (RMC) comprising Mr. M. N. Sudhindra Rao (Chairman), Dr. Vaijayanti Pandit, Independent Directors and Mr. Puneet Khurana, Managing Director of the Company. The RMC frame, implement and monitor the risk management plan of the Company and is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Company has adopted a Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Risk Management Policy enables for growth of the Company by helping its business to identify risks, assess, evaluate and monitor risks continuously and undertake effective steps to manage these risks. During 2022-23, three Meetings were held on August 9, 2022, February 1, 2023 and February 8, 2023, wherein, the risks and relevant mitigation measures identified for the Company were reviewed and discussed.

CREDIT RATING FROM CARE RATINGS

During the year, CARE Ratings in respect of the borrowings of the Company was as under:

Facility	Amount (₹ in Crore)	Rating
Long Term Bank Facilities	134.00	CARE A- Stable (Single A Minus; Outlook: Stable)
Short Term Bank Facilities	75.55	CARE A2 (A Two)
Total	209.55	

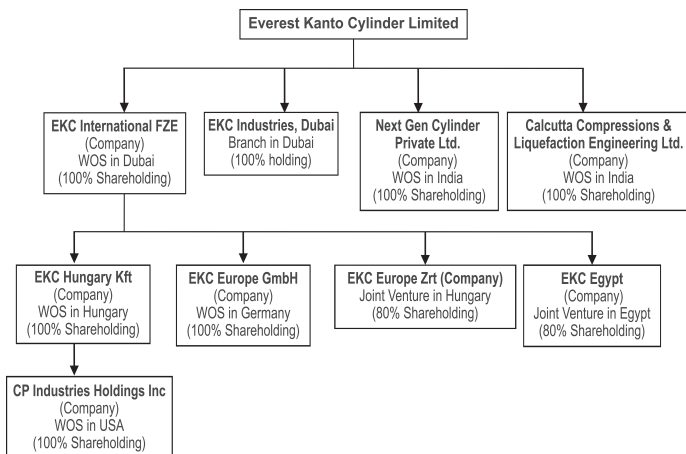
SUBSIDIARIES

As on March 31, 2023, the Company has (a) one wholly owned overseas subsidiary company, viz., EKC International FZE in Dubai, UAE, (b) three stepdown wholly owned overseas subsidiary companies, viz. EKC Hungary Kft in Hungary, CP Industries Holdings, Inc. in USA and EKC Europe GmbH in Germany (c) two stepdown subsidiaries i.e EKC Europe zrt. and EKC Egypt SAE and (d) Two wholly owned Indian subsidiary Companies viz., Calcutta Compressions & Liquefaction Engineering Ltd and Next Gen Cylinder Private Limited.

During 2022-23, EKC International FZE, Wholly Owned Subsidiary of the Company had entered into a Joint Venture Agreement with Dr. Mohamed Saad Eldin on April 19, 2022 to establish a CNG cylinder manufacturing facility for Middle East and North Africa Region. Therefore, incorporated a subsidiary in the name of EKC Egypt SAE in Egypt on November 13, 2022 with 80% shareholding of EKC International FZE.

The Company had registered the dissolution process of its Wholly Owned Subsidiary (WOS), EKC Industries (Thailand) Co. Limited with the Ministry of Commence, Thailand on August 20, 2021. The liquidation process was completed on December 20, 2022 consequent upon which EKC Industries (Thailand) Co. Limited ceased to be a WOS of the Company.

The Current Corporate Structure is as under:



A statement containing details of performance and salient features of the financial statements of Subsidiary/ Associate/ Joint Venture companies, as per Section 129(3) of the Act, is provided in Form AOC I after the standalone financial statements and therefore not repeated here. The Policy for determining material subsidiaries of the Company is uploaded on the Company's website at <https://everestkanto.com/wp-content/uploads/2018/12/Policy-on-Material-Subsidiary.pdf>.

As on March 31, 2023 EKC International FZE, a wholly owned subsidiary in Dubai is a material subsidiary of the Company.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto are available on the Company's website and can be accessed at <http://www.everestkanto.com/investors/annualreports>. The financial statements of the subsidiaries, as required, are available on the Company's website under sub-section 'subsidiaries' of Investors section.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

In accordance with the provisions of Section 152 of the Act Mr. Pushkar Khurana, Executive Director (DIN: 00040489) retire by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting (AGM) and forms part of the Notice.

The Members had at the 40th AGM held on September 30, 2019 appointed Mr. Ghanshyam Karkera (DIN: 00001829) as an Independent Director of the Company to hold office for five consecutive years from October 30, 2018 up to October 29, 2023. Pursuant to the provisions of the Act and based on the recommendation of Nomination & Remuneration Committee (NRC), the Board recommends, the re-appointment of Mr. Ghanshyam Karkera as Independent Director for a second term of five consecutive years from October 30, 2023 up to October 29, 2028. The approval of the Members through a Special Resolution is being sought at the 44th AGM and forms part of the Notice.

The brief resume / details regarding the Directors proposed to be appointed / re-appointed as above are furnished in the Notice of 44th AGM.

During the year under review, Ms. Reena Shah, Company Secretary & Compliance Officer of the Company had resigned from the services of the Company with effect from closing of business hours on November 23, 2022. The Board has based on the recommendation of NRC, appointed Mr. Vishal Totla as the Company Secretary & Compliance Officer of the Company with effect from May 15, 2023.

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

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

As required under Section 149(7) of the Act, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1)(b) of the LODR Regulations. In terms of Regulation 25(8) of the LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and that they are independent of the Management. The Board of Directors of the Company have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

The Board is of the opinion that the Independent Directors possess the requisite qualifications, experience, expertise and they hold high standards of integrity.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and have also confirmed that their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs is in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

During the year, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending Meetings of the Company.

NUMBER OF MEETINGS OF THE BOARD

During the year, four (4) Meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between any two Meetings of the Board was not more than one hundred and twenty (120) days as stipulated under the Act and LODR Regulations.

COMMITTEE OF THE BOARD

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee (NRC)
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

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

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In accordance with the provisions of the Section 178 of the Act read with the Rules made thereunder and Regulation 19 of the LODR Regulations, the Company has constituted NRC and has formulated "Nomination and Remuneration Policy" containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Board of Directors has approved Nomination and Remuneration policy and the same is available at the Company's website under the web link <https://everestkanto.com/wp-content/uploads/2018/12/Policy-Nomination-Remuneration-Evaluation.pdf>.

The details pertaining to composition of the NRC are included in the Corporate Governance Report, which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Policy provides guidelines to conduct CSR activities of the Company, which can be accessed at the Company's website at https://everestkanto.com/wp-content/uploads/2023/08/EKC_CSR-Policy.pdf.

During 2022-23, your Company has undertaken some projects/ programs as a part of CSR Initiative in accordance with the CSR Policy and spent ₹ 347.62 Lakhs towards various CSR activities, in line with the requirements of Section 135 of the Act. The CSR Report for the Financial Year 2022-23 in prescribed form as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, is enclosed as "Annexure-I" to the Directors' Report and forms part of the Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER

The Company has formulated and established a robust Vigil Mechanism named Whistle Blower Policy in accordance with the provisions of the Act and LODR Regulations to deal with the instances of fraud and mismanagement and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and to report incidents of leak or suspected leak of unpublished price sensitive information. The employees and other stakeholders have direct access to the Chairperson of the Audit Committee for lodging concerns, if any, for review. No person has been denied access to the Chairperson of the Audit Committee. The details of the same have been stated in the Report on Corporate Governance. The Whistle Blower Policy is available on the website of your Company at <https://everestkanto.com/wp-content/uploads/2018/12/Vigil-Mechanism-Policy.pdf>.

TRANSACTIONS WITH RELATED PARTIES

All transactions entered by the Company during the financial year under review, with related parties were on arm's length basis and in the ordinary course of business and hence not falling under the ambit of Section 188 of the Act.

No Related Party Transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of Section 188 of the Act. There being no 'Material' RPTs / contracts / arrangements as defined under Regulation 23 of the LODR Regulations, hence there are no details to be disclosed in Form AOC-2 in that regard. All RPTs are mentioned in the notes to accounts which sets out related party disclosures.

During the year 2022-23, pursuant to Section 177 of the Act and Regulation 23 of LODR Regulations, all RPTs were placed before the Audit Committee for its approval. Prior omnibus approval of Audit Committee was obtained for the transactions which were of repetitive nature and in the ordinary course of business.

The Policy on materiality of RPTs and also on dealing with RPTs framed under the LODR Regulations is available on Company's website and web link thereto is <https://everestkanto.com/wp-content/uploads/2022/02/Related-Party-Transaction-Policy.pdf>.

ANNUAL EVALUATION

The NRC has approved a framework / policy for performance evaluation of the Board, Committees of the Board and the individual members of the Board (including the Chairperson) which includes criteria for performance evaluation, which is reviewed annually by the Committee. A questionnaire for the evaluation of the Board, its committees and the individual members of the Board (including the Chairperson), designed in accordance with the said framework and covering various aspects of the performance of the Board and its Committees, including composition and quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in Corporate Governance as mentioned in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 was circulated to the Directors.

Pursuant to the provisions of the Act and LODR Regulations and based on policy devised by the committee, the board has carried out annual evaluation of its own performance, its committees and individual directors. The Board performance was evaluated on inputs received from all the Directors after considering criteria as mentioned aforesaid. The performance of the committees was evaluated by the Board of Directors on inputs received from all committee members after considering criteria as mentioned aforesaid. Pursuant to LODR Regulations, performance evaluation of independent director was done by the entire board, excluding the independent director being evaluated.

The performance evaluation of non-independent Directors and the Board as a whole and Chairman of the Board was also carried out by the Independent Directors of the Company through separate meeting on March 29, 2023 and shared with NRC/ Board.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section 3 and 5 of the Section 134 of the Act, your Company's Directors, based on the framework for internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies, the reviews performed by the Audit Committee and representations received from the Management, are of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23. The Board of Directors, based on the assurance given of the business operations, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material deviations;
- ii) the Directors in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for the period ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDIT REPORT

a) Statutory Auditors

At the 39th AGM held on September 29, 2018 the Members of the Company had approved the reappointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N) as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 39th AGM until the conclusion of 44th AGM to be held in the year 2023, to examine and audit the

accounts of the Company for five consecutive financial years from 2018-19 to 2022-23. There are no qualifications, adverse remarks, reservations or disclaimer made by Walker Chandio & Co LLP, Statutory Auditors, in their report for the financial year ended March 31, 2023.

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, based on the recommendation of Audit Committee, it is proposed to appoint M/s. Suresh Surana & Associates LLP, (SSA) Chartered Accountants (Firm Registration No. 121750W/W-100010) as Statutory Auditors for a term of five years from the conclusion of 44th AGM till the conclusion of 49th AGM of the Company to be held in the year 2028, to examine and audit the accounts of the Company for financial years between 2023-24 to 2027-28 (both inclusive). SSA have, pursuant to Section 139 of the Act, furnished a certificate regarding their eligibility of appointment.

Resolution seeking approval of Members for appointment of SSA as Statutory Auditors along with details as per Regulation 36(5) of LODR Regulations regarding the proposed remuneration, basis of recommendation of appointment, reason for material change in remuneration, credentials of SSA forms part of the Notice of 44th AGM of the Company.

b) Branch Auditors

The Board of Directors of the Company at their Meeting held on February 8, 2023 re-appointed M/s. Arun Arora & Co., Chartered Accountants as Branch Auditors of the Company for financial year 2022-23. The Company has received a letter from M/s. Arun Arora & Co. to the effect that their re-appointment, if made, for the financial year 2022-23, would be within the limits prescribed under Section 141(3)(g) of the Act and that they are not disqualified for re-appointment within the meaning of Section 141 of the Act. There is no qualification, reservation or adverse remark made by them.

c) Cost Auditors

As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company carries out an audit of cost records. The Board of Directors, on recommendation of Audit Committee, has appointed, M/s. Shekhar Joshi & Co., Cost Accountants (Membership No. M/10700) as Cost Auditors of the Company for the Financial Year 2022-23 and they have been reappointed as Cost Auditors of the Company for 2023-24.

In terms of the provisions of Section 148(3) of the Act read with the Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, approval of the Members is being sought for ratification of their remuneration at the ensuing AGM.

d) Secretarial Auditors

The Board of Directors has re-appointed M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries, having membership no. 19639 as the Secretarial Auditor under Section 204 of the Act for conducting Secretarial Audit for the financial year 2022-23. The Report of the Secretarial Auditor in prescribed Form MR-3 is annexed to the Directors Report

as “**Annexure II**” and does not contain any qualification, reservation or adverse remarks. M/s. Aashish K. Bhatt & Associates have been reappointed as the Secretarial Auditor for 2023-24.

DETAILS OF FRAUD REPORTED BY AUDITORS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act, are provided in “**Annexure III**” to this Report.

ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company for 2022-23 is placed on the website of the Company and can be accessed at <https://everestkanto.com/annual-return/>.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2) of LODR Regulations, as amended, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective is annexed as “**Annexure IV**” and forms an integral part of this Report and is also uploaded Company’s website and can be accessed at <https://everestkanto.com/investors/annual-reports/>.

ENVIRONMENT AND SAFETY

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, a statement showing the names of top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended forms part of this Report.

The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company up to the date of AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23

Name of the Directors	Designation	Remuneration of Directors (₹ in Lakhs)	Median Remuneration of Employees (₹ in Lakhs)	Ratio of median remuneration
Mr. Pushkar Khurana *	Executive Chairman	97.05	2.78	34.86
Mr. Puneet Khurana #	Managing Director	356.00	2.78	127.87
Mr. Ghanshyam Karkera @	Independent Director	11.90	2.78	4.27
Mr. Sudhindra Rao @	Independent Director	12.20	2.78	4.38
Dr. Vaijayanti Pandit @	Independent Director	9.20	2.78	3.30
Ms. Uma Acharya @	Independent Director	12.50	2.78	4.49

* Commission of ₹ 97.05 Lakhs was paid to Mr. Pushkar Khurana, Executive Chairman of the Company for FY 2022-23 in June 2023.

Comprises commission of ₹ 97.05 Lakhs paid to Mr. Puneet Khurana, Managing Director of the Company for F.Y. 2022-23 in June 2023.

@ Remuneration comprises sitting fees for attending the Meetings of the Board of Directors and of the Committees thereof and commission of ₹ 5 Lakhs paid in June 2023 to each Independent Director for F.Y. 2022-23.

b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2022-23

Name of the Directors	Designation	% increase in remuneration in financial year
Executive Directors:		
Mr. Pushkar Khurana*	Executive-Chairman	NA
Mr. Puneet Khurana	Managing Director	Nil
Non-Executive Independent Directors:		
Mr. M. N. Sudhindra Rao	Independent Director	19.61%
Mr. Ghanshyam Karkera	Independent Director	19.00%
Dr. Vaijayanti Pandit	Independent Director	12.20%
Mrs. Uma Acharya	Independent Director	20.19%
Key Managerial Personnel other than Managing Director		
Mr. Sanjiv Kapur	Chief Financial Officer	Nil
Ms. Reena Shah (upto Nov. 2022)	Company Secretary	Nil

c) Percentage increase in the median remuneration of employees in the financial year 2022-23: 6.79%.

d) Number of permanent employees on the rolls of Company: 629.

e) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increases in the salaries of employees other than the managerial personnel in the financial year 2022-23 is at 7% whereas the percentile increase in the managerial remuneration during the year is Nil.

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

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

g) Name of top 10 employee of Company, who were employed for part of year, was in receipt of remuneration for that period which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month: NA

(i) Name of employee of Company, who employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

(iii) If the employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

The details are mentioned in the table no. (i) Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

h) The particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board: N.A.

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month - NA.

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (ii) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

Name of the Employee	Designation of the employee	Remuneration received (₹ in Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Puneet Khurana	Managing Director	358.95	Full Time	B.Com, MBA, International Business	14.11.2019	49	N.A.	9.15%	Mr. Pushkar Khurana Executive Chairman

LISTING OF SECURITIES

The Equity shares of the Company are listed on the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)

The Company is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other. The said policy is available on the Company's website and the web link thereto is <https://everestkanto.com/wp-content/uploads/2018/12/Policy-on-Sexual-Harassment-at-work-placel.pdf>.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints pending as on the beginning of the financial year – Nil.

Number of complaints filed during the financial year- Nil.

Number of complaints pending at the end of the financial year- Nil.

Proceeding under Insolvency and Bankruptcy Code, 2016

There are no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2023.

Other Disclosures

During the year, there were no transactions requiring disclosure or reporting in respect of matters relating to:

- issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- raising of funds through preferential allotment or qualified institutional placement;
- instance of one-time settlement with any bank or financial institution.

ACKNOWLEDGEMENT AND APPRECIATION

The Board of Directors express their appreciation for the assistance, support and co-operation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company globally.

For and on behalf of the Board
Pushkar Khurana

Chairman & Executive Director
DIN: 00040489

Dubai
August 10, 2023

**ANNUAL CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES REPORT
ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

Everest Kanto Cylinder Limited (the Company) positively appreciates the decision taken by the Government of India with respect to CSR towards the Society at large. Legal framework of CSR is an edge to Corporate Charitable / Reformative approach towards the Society to which the Corporate belongs. As per the said policy, all our efforts are focused towards two goals: to be a responsible and dynamic enterprise towards the well-being of society and create a value worthwhile for all the stakeholders of our Company. Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drives all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy of the Company:

The policy affirms business objectives and strategy along with commitment of the Company to preserve natural resources and augment the growth and development of employees and their families, the communities the Company operates in, suppliers/ vendors, and investors of the Company. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners.

2. The Composition of the CSR Committee:

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a CSR Committee. The Composition of CSR Committee is as under:

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

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are as under:

- CSR Committee Composition and CSR Policy: https://everestkanto.com/wp-content/uploads/2023/08/EKC_CSR-Policy.pdf.
- CSR Projects programmes undertaken by the Company: <https://everestkanto.com/investors/csr/>.

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA.

- Average net profit of the Company as per Section 135(5):** ₹ 17,381 Lakhs.
 - Two percent of average net profit of the Company as per Section 135(5):** ₹ 347.62 Lakhs.
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** ₹ 5.97 Lakhs.
 - Amount required to be set-off for the financial year, if any:** ₹ 5.97 Lakhs.
 - Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 341.65 Lakhs.
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 291.93 Lakhs were spent on projects other than ongoing projects as on March 31, 2023 and ₹ 50 Lakhs were transferred to unspent account for an ongoing project which was subsequently released for utilisation (as per the proposal passed by the CSR Committee) in July 2023.
 - Amount spent in Administrative Overheads:** Nil.
 - Amount spent on Impact Assessment, if applicable:** Nil.
 - Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 341.93 Lakhs.

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
341.93	50.00	April 27, 2023	Nil	Nil	Nil

(f) Excess amount for set off, if any – ₹ 0.25 Lakhs

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	₹ 347.65
(ii)	Total amount spent for the Financial Year	₹ 341.93
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 5.97
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.25

7. Details of Unspent CSR amount for the preceding three financial years:

SR. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Balance Amount in Unspent CSR Account under Section 135(6) (₹ in Lakhs)	Amount Spent in the Financial Year (₹ in Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso of section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (₹ in Lakhs)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of transfer		
1.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	2020-21							
3.	2019-20							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/acquired: Not Applicable.

Details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year: Not Applicable.

SR. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner			
					CSR Registration Number, if applicable	Name	Registered Address	
Nil								

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable.

For and on behalf of the Board

Place: Mumbai
Date: August 10, 2023

Uma Acharya
Chairperson of CSR Committee

Puneet Khurana
Managing Director

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Everest Kanto Cylinder Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everest Kanto Cylinder Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on the verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board - processes and have required compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments. No External Commercial Borrowings were applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client - Not applicable;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable; and
- h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 - Not applicable.

Based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015).

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

I further report, I have relied on necessary disclosure(s) from Directors / KMPs and on confirmation received from the Company, about no specific applicable laws to the industry where Company operates, however general compliance system prevails in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with them.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Independent Directors. There were no changes in the composition of Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at

least seven days in advance including shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

Based on the representation made by the Company and relied upon, I further report that there are adequate systems and processes in the company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Declaration and payment of final dividend for the Financial Year 2021-22;
- ii. Payment of profit related commission to Independent Directors for F.Y. 2021-22;
- iii. Payment of profit related commission to Mr. Puneet Khurana, Managing Director for F.Y. 2021-22 within the limit u/s 197;
- iv. Payment of profit related commission to Mr. Pushkar Khurana, Chairman & Executive Director of the Company for F.Y. 2022-23;
- v. Resignation of Ms. Reena Shah as Company Secretary and Compliance Officer.

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

Aashish K. Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023

Place: Mumbai UDIN: A019639E000770125
Date: 10.08.2023 Peer Review Cert. No.: 2959/2023

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,
The Members,

Everest Kanto Cylinder Limited

My report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Aashish K. Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023

Place: Mumbai UDIN: A019639E000770125
Date: 10.08.2023 Peer Review Cert. No.: 2959/2023

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

ANNEXURE III

I. Conservation of Energy:

Information pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption:

- (1) The steps taken and impact on conservation of energy and steps taken by the Company for utilizing alternate sources of energy:

The Company considers it as a responsibility to reduce its carbon footprint in all possible areas of operations. As a responsible corporate citizen, the Company is taking all possible measures to achieve efficiency in energy utilization, water utilization, technology induction at all its plants, such as:

- (i) Use of LED lights in place of sodium vapour lamps, metal halide lamps and florescent lamps on the plant sheds, street lights and in Admin building is continuously resulting in saving in consumption of power.
- (ii) Installation of the new pipe cutting machines resulted in reduction of cost of blade consumption as well as power consumption and increased the productivity.
- (iii) The new screw compressor is economical and power saving machine. Similarly, the High-Pressure Ait booster installed at the plants are also resulting into reduction in electrical consumption.
- (iv) The Company is using Natural Gas in place of LPG at Tarapur Plant leading to following benefits:
 - (a) Overcoming of problems related to liquid vaporization and fire hazards.
 - (b) Optimum utilization of Storage space as space required for Natural Gas is less as compared to LPG yard as per CCOE Norms.
- (v) The Company is using thermal energy by use of alternate fuels, improvements in fuel burners, minimizing heat losses by improved insulation, etc.
- (vi) The Company is using closed loop liquid to Air Heat Exchangers instead of cooling towers for heat dissipation.
- (vii) The company is using High Density Poly Ethylene and FRP (Fibre Glass Reinforced Plastic) pipe lines which reduces consumption of energy.
- (viii) The Company uses the waste energy in terms of air pressure being released at the end of Pneumatic Leak Testing, to fill the cylinders under test with this Hydraulic Booster compressor.
- (ix) Use of VF drive and programmable logic controls for paint booth suction blower for cyclic speed swings, thereby reducing power consumption per cylinder.

II. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods:

The Company continues to draw to benefits in the area of energy conservation through its wind power projects. The Company had undertaken Wind farm projects at Kandla in the state of Gujarat and Satara in the state of Maharashtra, the brief details of which are given in the following table:

Place of Installation	No. of Wind-mills installed	Energy Generation Capacity	Investment (₹ in Lakhs)	Energy Generated during the year	Energy Generated during previous year
Kandla, Gujarat	1	1.650 MW	1,125.00	17,93,742 units	1,831,898 units
Satara, Maharashtra*	3*	3 x 0.225 MW = 0.675MW	349.14	Sold during the year	505,655 units

*The Company has sold the Windmill, due to low generation of power and maintenance cost.

- (a) The wind farm projects as mentioned in the preceding parts have been undertaken in the states of Gujarat and Maharashtra, where the Company is having its own manufacturing facilities. Considering the present power policy of Governments, the Company has directly benefited in terms of captive consumption of energy generated by aforesaid wind farm and also from the sale of power generated from these wind mills.
- (b) At Satara, the energy generated is sold to Maharashtra State Electricity Board as per the Government's policy.

III. Details of energy consumption are given below. These details cover the operations of the Company's factories at Tarapur, Gandhidham and KASEZ

Particulars	Current Year	Previous Year
A) Power and Fuel consumption:		
a) Electricity purchased		
Units (kwh in Lakhs)	224.82	282.10
Total Amount (₹ in Lakhs)	2045.89	2274.28
Rate per Unit (₹)	9.10	8.06
b) Oxygen purchased		
Units (Cu.M. in Lakhs)	7.82	10.25
Total Amount (₹ in Lakhs)	102.23	172.96
Rate per Cu.M. (₹)	13.07	16.88
c) Natural Gas		
Units (Cu.M. in Lakhs)	15.27	17.79
Total Amount (₹ in Lakhs)	999.66	952.20
Rate per Cu.M. (₹)	65.48	53.70
d) LPG purchased		
Units (Kg. in Lakhs)	22.13	33.29
Total Amount (₹ in Lakhs)	1499.20	1851.44
Rate per Kg. (₹)	67.73	55.62
B) Consumption per unit of production:		
i. Electricity (kwh / MT)	570.32	504.57
ii. Oxygen (Cu.M / MT)	19.85	18.33
iii. Natural Gas (Ltr. / MT)	38.73	31.72
iv. LPG (Kg. / MT)	56.15	59.54

The Capital investment on energy conservation equipment's:

The Company has invested ₹ 2,289.64 Lakhs on conservation equipment's during the FY2022-23.

Technology Absorption, Adaptation and Innovation:

Innovation is one of the key factors enabling EKC to achieve and maintain the Number One position in the area of high-pressure gas cylinders manufacturing. This, aided by the infusion of latest technology, proper training of manpower to handle latest equipment and processes, ensures prompt reciprocation to customer requirement to their satisfaction. This has further enabled the company to meet the requirements of Aerospace sector, Defense sector to entire satisfaction of end user.

I. Technology Absorption

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

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

- Complete process was developed to manufacture newer models of Jumbo cylinders from High Alloy High Strength Steel pipes, without any technical collaboration or help from other company. This major step has made EKC the only manufacturer in India to make these High Alloy High Strength Jumbo Cylinders from tubes. It has opened up new markets which were hitherto inaccessible. It has also ensured management's support to Make in India initiative of the government.
- Use of latest PLC version with modified logic on Internal Shot Blasting Machine has helped us to reduce cycle time and increase the productivity.
- Company is using Open Type Bus Bars of EOT Crane with Safe Duct Closed Type Bus Bars to improvise on safety requirements.
- The Company is using pressure transmitter on air leakage test and cyclic testing machine, to eliminate the risk of increasing pressure in the system.
- Special Purpose pipe cutting machine has been developed, having capacity of cutting two pipes at a time. This has resulted in increased productivity.
- Special purpose HST line has been developed to process all sizes and special (Larger Dia. and Water Capacity) cylinders.
- Use of Electric Load & Fuel Consumption reduced, due to installation of new spinning machines for size (dia 200-267) of water capacity (24.0 ltr to 80.0 ltr), resulted following reduction in electricity & fuel:

Reduction	Old Spinning Machine	New Spinning Machine
Electric load	175 KW	80 KW
Fuel Consumption	1.11 m3 per operation	0.5 m3 per operation
KWH	5.70 units per operation	2.60 units per operation

- Use of new cutting oil for pipe cutting/neck cutting & drilling machines, resulted in increase of blade life by 35%.
- In place of manual operation for cascade high pressure S.S.tube bending, the Company is using new hydraulic type blender to increase productivity.
- Cascade development: Increased cylinder water capacity 75.0 ltrs to 150.0 Ltrs, resulted into reduction of nos. of cylinders & nos. of fittings and reduction in cost.

Reduction	Old Cascade with 75.0 Ltrs cylinder	New Cascade with 150.0 Ltrs cylinder
No. of cylinders	60 nos.	30 nos.

- Installation of technology powder coating line, the Company is benefited as under:
 - Reduction in power consumption - Single coat is applied on shot blasted out side surface, no need of primer coating & additional paint accessories. Actual connected electricity load for painting line as 45 KW & power coating 34 KW.
 - Powder recovery is 99.5% in comparison with liquid painting recovery, which was 60%.
- Installation of latest technology compact 33 KV Ring main unit, instead of vacuum circuit breaker. This is highly safe in high tension circuit.
- New digital computerized HST (Hydro Stretch Testing) machines are installed, which is generate computerized automatic test reports, instead of manual written report.

II. Technology Adaptation

We are participating wholeheartedly in Government's initiative of Make in India. Hitherto we have been importing certain components as they were not manufactured in India. Now, some Company have come forward to manufacture these components in India and we are in process of application testing partners in that program for our customers.

III. Innovation

Innovation is a way of life at EKC. People at various levels in various departments contribute their ideas to keep the company at the leading edge.

- Cylinder models are developed to meet varying needs of different overseas standards which are much stringent than the standards which we operated till now.
- Company has developed various Tube Trailers for storage and transportation of Bio-Methane gas and developed Ultra Large Cylinder for Hydrogen, working at 300 Bar for a crucial project of Indian Space Research Organization (ISRO).
- Company has also designed Very Large Capacity storage complex for gases to be stored at very high pressures which was not done in the country till recent times.

IV. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Foreign Exchange used	39,208.71	47,183.72
Foreign Exchange earned	2,386.24	6,279.02

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

1	Corporate Identity Number (CIN) of the Company	L29200MH1978PLC020434
2	Name of the Company	Everest Kanto Cylinder Limited
3	Year of Incorporation	1978
4	Registered Office address	204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.
5	Corporate Address	Same as registered office address
6	Website	www.everestkanto.com
7	E-mail id	investors@ekc.in
8	Telephone	022-4926 8300
9	Financial Year reported	April 1, 2022 to March 31, 2023
10	Paid up Capital	224415364
11	Name of the Stock Exchanges where shares are Listed	BSE Limited
12	Name and Contact details of person who may be contacted in case if any query on BRSR	National Stock Exchange of India Ltd Pushkar Khurana, Chairman Pushkar@ekcuae.com Puneet Khurana, Managing Director Puneet@everestkanto.com
13	Reporting Boundary	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the Turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	95%

15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Metal and metal products	2512	95%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Number of Warehouses	Total
National	2	1	2	5
International	NA	NA	NA	NA

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	All
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity? 3%

c. A brief on types of customers

Everest Kanto Cylinder Limited, headquartered in Mumbai, is in the business of manufacturing and selling wide range of CNG Steel, Medical Application, Industrial Gas, Fire Extinguisher, Hydrogen, Aluminium, Jumbo cylinders. The Company caters to a wide range of customers, including City Gas Distribution Companies, CNG Vehicle Manufacturers etc.

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S.No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	290	280	97%	10	3%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees(D + E)	290	280	97%	10	3%
WORKERS						
4.	Permanent (F)	323	323	100%	-	0%
5.	Other than Permanent (G)	16	16	100%	-	0%
6.	Total workers (F + G)	339	339	100%	-	0%

b. Differently abled Employees and workers:

S.No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	-	0%
2.	Other than Permanent (E)	-	-	0%	-	0%
3.	Total differently abled employees(D + E)	1	1	100%	-	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	0%	-	0%
5.	Other than permanent (G)	-	-	0%	-	0%
6.	Total differently abled workers(F + G)	-	-	0%	-	0%

19. Participation / Inclusion / Representation of women:

Particulars	Total(A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33%
Key Management Personnel	1	-	0%

20. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.34%	17%	4.34%	7.11%	0%	7.11%	2.48%	0%	2.48%
Permanent Workers	9.26%	0%	9.26%	4.87%	0%	4.87%	4.17%	0%	4.17%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidia / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	EKC International FZE	Subsidiary	100%	NA
2	EKC Industries (Thailand) Company (upto 20th Dec. 2022)	Subsidiary	100%	NA
3	Next Gen Cylinder Private Limited	Subsidiary	100%	NA
4	Calcutta Compressions & Liquefactions Engineering Ltd	Subsidiary	100%	NA
5	EKC Hungary Kft.	Step down Subsidiary	100%	NA
6	EKC Europe GmbH	Step down Subsidiary	100%	NA
7	CP Industries Holding Inc.	Step down Subsidiary	100%	NA
8	EKC Europe Zrt	Joint Venture	80%	NA
9	EKC Egypt (S.A.E.) (w.e.f. 13 November 2022)	Joint Venture	80%	NA

VI. CSR Details

- 22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
 (ii) Turnover (in Rs. Crore) 789.65
 (iii) Net worth (in Rs. Crore) 658.81

VII. Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)(If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, EKC Limited has a grievance redressal mechanism in place for all of its stakeholders. The processes are set internally and communicated to the stakeholders.	There have been no complaints or grievances received under any of the principles of NGBRC.					
Investors (other than shareholders)							
Shareholders							
Employees and workers							
Customers							
Value Chain Partners							
Other (violation of code of business conduct and ethics)							

24. Overview of the entity’s material responsible business conduct issues-

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Risk	With an increase in the manufacturing capacity - to keep up with the production demand, the GHG emissions will go up.	Using new technology for efficient system to reduce GHGE missions.	Negative - To set up improved and efficient systems and processes to reduce the GHG Emissions.
2	Water Management	Risk	Water being a finite resource will pose a risk to the operations of our business.	Reduction in raw water usage in manufacturing.	Neutral – No financial implication is foreseen in the near future. We are taking efforts to ensure efficient water management.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Energy Management	Opportunity	Processes and Systems are in place to ensure maximum energy efficiency and this will be continuously improved.	EKC has Solar panels, LEDs, uses PNG and LPG as fuel and natural lighting to manage energy efficiently.	Positive – Any cost put for improving the energy management system will fetch positive outcomes and reduced cost in the long run.
4	CSR	Opportunity	Need Assessment done prior to project execution gives us the voice and stance of the community along with their consent to operate.	EKC has pioneered on this front.	Positive – The benefits our CSR endeavors bring to the community generates good will and enhances our reputation thereby having long term financial benefits.
5	Human Rights	Risk	Changing regulations around human rights pose as a challenge	We put in substantial efforts to ensure that no human right violations are ensured in the entire line of our business.	Negative – Any violation can lead to reputational risk for the organization.
6	Employee Health and Safety	Risk	This can lead to decreased productivity.	Many efforts and initiatives have been put in place to ensure employee health and safety.	Neutral – Any cost put towards employee health and safety will yield positive results in the long term.
7	Governance	Opportunity	To build upon our organizational strategy for championing success.	Strong leadership and our resilient execution teams.	Positive – In transforming our business and leveling it up.
8	Consumer Welfare	Opportunity	To distinguish ourselves as market leaders and most preferred brand	EKC has established strong market connects and build legacy brands that ensure consumer welfare is ensured.	Positive – Goodwill amongst consumers will convert into product sales.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

- Principle 1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.
- Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe.
- Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- Principle 4 Businesses should respect the interests of and be responsive towards all its stakeholders.
- Principle 5 Businesses should respect and promote human rights.
- Principle 6 Businesses should respect, protect, and make efforts to restore the environment.
- Principle 7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- Principle 8 Businesses should promote inclusive growth and equitable development.
- Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available.	https://everestkanto.com/investors/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by you/entity and mapped to each principle.	ISO 9001:2015 BIS IATF 16949 First Edition								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	a) To reduce water consumption by 10% by 2025, considering baseline of 2022. b) To reduce carbon emissions by 35% by 2030 considering baseline of 2022 (Scope 1&2). c) To dispose 30% of hazardous waste through co-processing by 2030.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has set environment targets in FY2022-23, hence the performance against set target will not be applicable for this reporting period.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Puneet Khurana Designation: Managing Director DIN : 00004074								
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Puneet Khurana, Managing Director, oversees the Business Responsibility and Sustainability initiatives of the Company.								

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Frequency	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically / need based basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ongoing basis								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										No, the Company internally reviews the working of the above-mentioned policies.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes / No)										-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)										-	-	-	-	-	-	-	-	-
The entity does not have the financial or / human and technical resources available for the task (Yes/No)										-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes / No)										-	-	-	-	-	-	-	-	-
Any other reason (please specify)										-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	5	Environment, Business Operations, Strategic Planning, Forecasting	83%
Key Managerial Personnel	7	Environment, Business Operations, Strategic Planning, Forecasting	100%
Employees other than BoD and KMPs	5	Time Management, Safety Management	75%
Workers	5	Safety Management, Skill Development	80%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity’s website:

Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	NA	Nil	NA	NA
Settlement	Nil	NA	Nil	NA	NA
Compounding fee	Nil	NA	Nil	NA	NA

Non-Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	NA	NA	NA
Punishment	Nil	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the company has a Code of Conduct for Directors and Senior Management that entails ethical conduct. The Company also has laid down an Ethics policy to ensure ethical conduct by employees, supply chain & business partners.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Yes, the company has a Code of Conduct for Directors and Senior Management that entails ethical conduct. The Company also has laid down an Ethics policy to ensure ethical conduct by employees, supply chain & business partners.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, as per Company's Code of Conduct, all its Personnel (Members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. Further, the Company outlines that Personnel of the Company shall not exploit any information discovered through their position in the Company, for their own personal gain.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Environmental and Social impact assessment is one of the key inputs for the new product development/process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible. Increasing share of renewable energy in overall energy portfolio is a flagship initiative which demonstrated our commitment towards sourcing clean energy and transition to low carbon operation having a direct impact on the environment.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs were sourced sustainably?

EKC manufactures seamless steel cylinders for which seamless tubes are required in specific size and specification which currently are imported from China as Indian Steel Companies are still not providing material as per EKC's specific requirement. 16% of the raw material spend was sourced locally (within India).

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

By virtue of being a cylinder industry, our products, in general, get completely utilized once it reaches consumers. However, we are focused on reducing the generation of damaged and defective materials on the inventory management front. These stocks are collected back, reprocessed, and utilized to the maximum extent possible. EKC does not recycle the products manufactured. The non-hazardous scrap generated by the Company is sold for further recycling. (a) Plastics (including packaging): Not applicable (b) E-waste: Not applicable (c) Hazardous waste: Not applicable (d) other waste: Not applicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
2512	Metal and metal products (Cylinders)	95%	Seamless Tube to Cylinder	Conducted at in-house facility in presence of external agencies	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable		

3. Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Not applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	280	-	-	280	100%	-	-	-	-	-	-
Female	10	-	-	10	100%	10	100%	-	-	-	-
Total	290	-	-	290	100%	10	3%	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	323	-	-	323	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	323	-	-	323	100%	-	-	-	-	-	-
Other than Permanent employees											
Male	16	-	-	16	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	16	-	-	16	100%	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We strongly believe in respecting the individuality of our employees and are committed to creating a healthy, safe, and secure work environment that enables employees to work without fear of prejudice, gender bias, and sexual harassment. We ensure that no employee is at a disadvantage based on disability and we aim to provide equal opportunities for all the employees.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. All employees, whether permanent or contractual can get in touch through a designated point-of-contact and a unique e-mail ID to report any grievances. We have a designated committee and Statement of Purpose (SOP) in place to address grievances in an efficient and effective manner.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (c)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (D / C)
Total Permanent Employees						
- Male	280	8	3%	277	8	3%
- Female	10	-	0%	10	-	0%
Total Permanent Workers						
- Male	322	69	21%	345	77	22%
- Female	-	-	0%	-	-	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health & safety measures		On Skill upgradation		Total (A)	On Health & safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Male	281	281	100%	281	100%	277	277	100%	277	100%
Female	10	10	100%	10	100%	10	10	100%	10	100%
Total	291	291	100%	291	100%	287	287	100%	287	100%
Workers										
Male	338	338	100%	338	100%	345	345	100%	345	100%
Female	-	-	0%	-	0%	-	-	0%	-	0%
Total	338	338	100%	338	100%	345	345	100%	345	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	281	281	100%	277	277	100%
Female	10	10	100%	10	10	100%
Total	291	291	100%	287	287	100%
Workers						
Male	338	338	100%	345	345	100%
Female	-	-	0%	-	-	0%
Total	338	338	100%	345	345	100%

10. Health and safety management system:
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?

The Company has complete focus on health and well-being of its employees. Awareness sessions are conducted on safety related aspects for the employees. Training related to Hazard Analysis Critical Control Point (HACCP) and Total Productive Maintenance are also provided. The Company is focused on both, the physical and mental well-being of its employees and has organized various programs and discussions with well-being experts and medical practitioners. Occupational Health and Safety management system has been implemented at EKC. The system covers all employees, workers, operational locations and townships. Operational / Product Safety related trainings and stakeholder engagement exercises are undertaken with local communities and customers as well. The management system is reviewed internally every year, and it is also externally certified at operating units. The efficacy of the management system is maintained and improved as part of the company-wide risk management and control process, and it is aligned with our safety principle.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have implemented the process to identify the work-related Hazard Identification and Risk Assessment (HIRA) on a daily routine basis. The work related hazards are also identified and evaluated as per procedure for Identification and Evaluation of Environmental Aspect and Occupational Health & Safety hazards and records of the same are updated in the Aspect and hazard evaluation register. We also identify workplace hazards through:

- Daily Safety Inspection by plant team, safety personnel and night duty officers;
- Weekly safety inspection by senior officials;
- Daily safety toolbox talk;
- Weekly shop floor safety meeting with workmen;
- Routine identification of unsafe conditions and unsafe acts;
- Capturing and reporting of near miss incident from shop floor personnel;
- Work permits by plant and safety personnel;
- Through Safety Observation Tour (SOT) at plant.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we have well defined systems and processes for workers to report work-related hazards and remove themselves from such risks. The methods used by different plants include Near miss/unsafe condition reporting, shop floor safety meeting, safety committee meeting, daily Safety Toolbox Talk, observation reporting system through "Safety Portal", reporting of near miss incident from shop floor workmen, and interaction with workers during daily plant inspection and internal mail and phone communication. The workers can report unsafe conditions and near misses through area-in charge and the hazards are evaluated through various methods such as Hazard Identification and Risk Assessment (HIRA).

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees/workers have access to non-occupational medical and healthcare services. All our plants have either dedicated occupational health centres (OHC) or medical consultants, visiting specialists doctors, and trained paramedic staff to ensure uninterrupted emergency medical services round the clock.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.97	5.61
	Workers	5.30	13.65
Total recordable work-related injuries	Employees	Zero	Zero
	Workers	Zero	Zero
No. of fatalities	Employees	Zero	Zero
	Workers	Zero	Zero
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Zero	Zero
	Workers	Zero	Zero

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company is committed to produce highest quality goods without sacrificing on safety and environmental needs. All work-related risks & their causes in the work environment are identified. Personal protective equipment & awareness trainings are provided to employees and workers. Workplace inspection & hazard identifications are conducted by EHS & Site management. Safety & Environmental audits of plants are done by competent persons/authorities under the Factories Act to ensure compliance. Central Safety Committee and Emergency Response Team like First Aider & Fire Fighter teams are also formed to ensure safety processes and for risk assessment.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	3	-	Resolved	8	-	Resolved
Health & Safety						

Safety Suggestion Box is maintained at all our plant locations wherein employees and workers can report their observations / suggestions, which require attention from a safety point of view. These suggestions are evaluated internally and considered for corrective actions.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We have introduced advanced technology interventions to prevent accidents and are working on further improvements to address safety-related incidents in the plants. We have a cross-functional investigation team who are responsible for investigating the accidents and submitting detailed reports in a timely manner regarding the causes. Safety alerts are sent by the safety team for discussion in Tool Box and shopfloor safety meetings. All incidents are investigated for identification of gaps and recommendations for improving the system, with the objective of learning and to avoid repetitive shortcomings. Recommendations are implemented in time bound manner. Dissemination of information and learning is done to prevent recurrence. To ensure effectiveness of all the components of the safety system and activities, various internal and external audits are carried out as per details provided in description of Safety Management System. Strict monitoring of the audit recommendations is carried out at various levels.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends a compensatory package to all its employees including workers in event of accidental death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company requires its value chain partners to abide by the principles of the Company's Supplier Code of Conduct and implement responsible business conduct principles in its operating practices.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company periodically provides skill-upgradation training programs to all its employees during their employment. The training programs cater to the specific requirements of the cadre and relevant function areas which further enable the employees to pursue employment post retirement or termination, based on the acquired skill set.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

As per the Company's Code of Conduct, the value chain partners are expected to adhere to the principles of Health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

As a responsible Company focused on driving growth through the strong foundation of stakeholder relationships, Everest Kanto Cylinder Limited engages with its prioritised group of stakeholders, identifies the key material issues and manages their expectations. The stakeholder groups are identified as part of the stakeholder engagement mechanism, built on the principles of inclusivity, accountability, and responsibility. As part of the stakeholder engagement and materiality assessment exercise conducted in FY 2022-23, the Company identified key stakeholder groups based on those groups who are impacted as well those who have a major influence on the business decisions. The key internal and external stakeholder groups identified by the Company as part of the engagement mechanism are - Investors/shareholder, regulators, suppliers/vendors/third-party manufacturers, Non-Governmental Organisations (NGO), Community, Customer B2B, Employee, Senior leadership.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor / Shareholder	No	<ul style="list-style-type: none"> Annual / quarterly reports and earning calls. Attending investor conferences. Issuing specific event based press releases. Investor presentations. 	Quarterly / need-based	<p>Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company.</p> <p>The key areas of interest for the investors/ shareholders are:</p> <ul style="list-style-type: none"> Corporate governance. ESG disclosures. Regulatory compliance. Responsible supply chain Management. Product responsibility. Cost competitiveness. Overall Company performance.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulator	No	<ul style="list-style-type: none"> In-person meetings E-mail 	Need-based	<p>Transparent communication with the regulators is critical from the compliance perspective.</p> <p>The key areas of interests for the regulators are:</p> <ul style="list-style-type: none"> Regulatory compliance Community engagement De-risk supply chain
Supplier / Vendor / Third party manufacturer	No	<ul style="list-style-type: none"> Vendor meets Virtual modes such as e-mail, telephonically 	Ongoing	<p>Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner.</p> <p>Engagement with suppliers, vendors enable the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are:</p> <ul style="list-style-type: none"> Timely payments Collaboration
NGO	No	<ul style="list-style-type: none"> In-person meetings Virtual modes such as e-mail, telephonically 	Ongoing	<p>As a responsible Company, engaging with NGOs facilitate the streamlining of the CSR activities undertaken in partnership.</p> <p>The key areas of interest for NGO are:</p> <ul style="list-style-type: none"> Employee volunteering. Agile management process.
Community	Yes	<ul style="list-style-type: none"> In-person meetings Engagement through NGO partners 	Ongoing	<p>Community development programs initiated by the Company's CSR activities enables driving a positive impact on the community members.</p> <p>The key areas of interest for community are:</p> <ul style="list-style-type: none"> Community development programs with a focus on health, education, sanitation and infrastructure development.
Customer B2B	No	<ul style="list-style-type: none"> In-person meetings E-mail Customer feedback sessions 	Ongoing	<p>Customers form a vital part of the Company's stakeholder engagement group to ensure quality services.</p> <p>The key areas of interest for Customer B2B are:</p> <ul style="list-style-type: none"> Product quality, access and pricing.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee	No	<ul style="list-style-type: none"> Employee focused web-portal E-mail Employee engagement surveys 	Ongoing	<p>Employee well being and satisfaction is an integral part of the Company's growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee well being and growth.</p> <p>The key areas of interest for employees are:</p> <ul style="list-style-type: none"> Training, professional growth and development. Well-being initiatives. Employee recognition. Fair remuneration. Work-life balance.
Senior Leadership	No	<ul style="list-style-type: none"> In person meetings Virtual modes such as e-mail, telephonically 	Ongoing	<p>Senior leadership are the key drivers of the Company's sustainable value creation strategy. Senior leadership engagement facilitates the interlink age of business and sustainable value creation.</p> <p>The key areas of interest for senior leadership are:</p> <ul style="list-style-type: none"> Sustainable and resilient business operations. R & D and innovation. Overall Company performance.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

At EKC, stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impacting the Company's growth. The stakeholder engagement and materiality assessment exercise conducted in FY2022-23 led to the prioritisation of material issues, mapping of the risks relevant to each material topic and development of consequent risk mitigation steps. The primary outcome of the stakeholder engagement exercise resulted in identification and prioritisation of material issues relevant to environment, social, governance and economic aspects. The identified material issues were presented to the highest governing member and the Board for their feedback and guidance on strategising the sustainable growth model of the Company. As part of the Company's efforts to continually engage with internal and external stakeholder groups for identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the identification, prioritisation of material issues relevant to the environment, social, economic and governance topics is done in consultation with the stakeholders. The identified issues are then subsequently mapped with relevant risks. As part of the risk management plan, the Company subsequently strategises and develops mitigation action plans for the identified risk. The material issues form the guiding framework for the nonfinancial disclosures of the Company through its Sustainability Report. As per the

relevant national and international guidelines and standards, the Company discloses its management approach, targets/goals and its non-financial performance in the reporting year for each of the identified material topic. Additionally, the identification of material issues enables the company to focus on its key improvement areas and subsequently develop future action plans such as policy development, initiatives implementation among others.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The community members are identified as vulnerable/marginalised stakeholder group for the Company. As part of the Corporate Social Responsibility (CSR) initiatives, the Company undertakes need assessment to identify and prioritise the focus areas for community development. The Company has undertaken various CSR initiatives on seven focus areas- healthcare, education, rural development, environment conservation, sanitation, drinking water project, disaster relief program. For further details refer the Annual Report and the Company's Annual CSR report.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees/ workers covered (B)	% (B / A)	Total (A)	No. employees/ workers covered (B)	% (B / A)
Employees						
Permanent	290	290	100%	285	285	100%
Other than permanent	1	1	100%	2	2	100%
Total Employees	291	291	100%	287	287	100%
Workers						
Permanent	322	322	100%	345	345	100%
Other than permanent	16	16	100%	0	0	0%
Total Employees	338	338	100%	345	345	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No.(C)	% (C / A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	280	-	0%	280	100%	275	-	0%	275	100%
Female	10	-	0%	10	100%	10	-	0%	10	100%
Other than permanent										
Male	1	-	0%	1	100%	2	-	0%	2	100%
Female	-	-	0%	-	0%	-	-	0%	-	0%
Workers										
Permanent										
Male	322	-	0%	322	100%	345	-	0%	345	100%
Female	-	-	0%	0	0%	-	-	0%	0	0%
Other than permanent										
Male	16	-	0%	16	100%	-	-	0%	0	0%
Female	-	-	0%	0	0%	-	-	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	4	5,462,500	2	1,085,000
Key Managerial Personnel	1	7,343,945	-	-
Employees other than BoD and KMP	363	351,360	10	768,310
Workers	254	192,180	-	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has a team in place under the direct touch initiative to address human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At EKC, guidance on human rights issues is covered as a part of its Code of Conduct. The Company has a WhistleBlower and Protection Policy that allows and encourages its stakeholders to raise concerns about the violations against the Code of Conduct. Any concerns reported are addressed by the direct touch team.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	No complaints have been received under these categories.					
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower & Protection policy mentions a clause on confidentiality of complainant/ Protection against victimization. It states that the disclosures of wrongful conduct are submitted on a confidential basis or submitted anonymously. Such disclosures are confidential to the extent possible, convenient with the need to conduct an adequate investigation. The company takes stringent actions against any director, supervisor or employee found to have so violated this clause.

8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)"

Yes, human rights requirements form a part of the Company's business agreements and contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100% (Compliance of different statutory provisions pertaining to Wages, Working Conditions, Social Security etc.)

All the locations under the entity are assessed on the above parameters, complying with the requirements of the Shop and Establishments Act for offices and the Factory Inspector audits at plants.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Not applicable.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company in the reporting period did not undertake any Human Rights due diligence. The Company’s revised Human Rights Policy expects all the employees and members of the value chain to abide by its principles. As part of the policy statement, the Company outlines that it will undertake human rights due diligence to identify adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent and mitigate through corrective actions.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, as per the requirements of the Rights of Persons with Disabilities, the Company manufacturing premises and offices have ramps, elevators and infrastructure for differently abled individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	100%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	80,937	101,559
Total fuel consumption (B)	190,278	262,789
Energy consumption through other sources (C)	-	-
Total energy consumption(A+B+C)	271,215	364,348
Energy intensity per crore rupee of turnover (Total energy consumption / turnover in rupees)	361.02	305.66

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/ evaluation / assurance by any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)"		
(i) Surface water	67,862	77,980
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	67,862	77,980
Total volume of water consumption (in kilolitres)	67,862	77,980
Water intensity per crore rupee of turnover (Water consumed / turnover)	90.33	65.42

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment/ evaluation / assurance by any external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has implemented a mechanism of Zero Liquid Discharge in 2 manufacturing units where the Company reuses and recycles all the wastewater generated after treatment. All the wastewater is collected and treated in STP / ETPs and treated wastewater is completely recycled or reused as appropriate.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox	Tonne	-	-
Sox	Tonne	-	-
Particulate matter (PM)	Tonne	-	-
Persistent organic pollutants (POP)	Tonne	-	-
Volatile organic compounds(VOC)	Tonne	-	-
Hazardous air pollutants (HAP)	Tonne	-	-
Others– please specify	Tonne	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	814	935
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	35,656	47,290
Total Scope 1 and Scope 2 emissions per crore rupee of turnover	Metric tonnes of CO2 per crore rupee of turnover	48.55	40.46

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment / evaluation / assurance by any external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Aligning emissions management strategy with the global goals of minimizing carbon footprint and mitigating climate change risks, the Company has streamlined its processes to move closer to this common goal. Reducing GHG emissions is not only a business imperative for EKC, but also forms a vital part of its environmental strategy going forward. With the use of Renewable Energy sources, alternate fuel, and energy efficiency efforts, the Company has been able to reduce emissions. The Company is committed to energy conservation and ensure efficient energy usage at all its operational facilities. Energy management forms a vital part of the Company's approach towards sustainable operations. Facilities operate with an aim to reduce energy consumption in the processes which has a direct impact on carbon emissions. Renewable electricity generation is one of the identified focus areas and several investments have been made in this space over the years.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (G)	2	1
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	2	1

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	-	-
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment / evaluation / assurance by any external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

By virtue of being a cylinder industry, our products, in general, get completely utilized once it reaches consumers. However, we are focused on reducing the generation of damaged and defective materials on the inventory management front. These stocks are collected back, reprocessed, and utilized to the maximum extent possible. EKC does not recycle the products manufactured. The non-hazardous scrap generated by the Company is sold for further recycling. (a) Plastics (including packaging): Not applicable (b) E-waste: Not applicable (c) Hazardous waste: Not applicable (d) other waste: Not applicable.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, bio diversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No assessment has been done in the current financial year					

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company is compliant with the applicable environmental law / regulations / guidelines in India. There have been no incidents of non-compliance from EKC's end related to the environment in FY 2022-23.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	7,327	8,415
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	7,327	8,415
From non-renewable sources		
Total electricity consumption (D)	80,937	101,559
Total fuel consumption (E)	190,278	262,789
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	271,215	364,348

We haven't carried out assessment / evaluation / assurance by any external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iv) Sent to third- parties		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment-Boiler Blowdown and Softening water is collected at ETP and the same is treated and used for Cooling system	2,920	2,665
Total water discharged (in kilolitres)	2,920	2,665

We haven't carried out assessment / evaluation / assurance by any external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

The Company has implemented a mechanism of Zero Liquid Discharge in 2 manufacturing units where the Company reuses and recycles all the wastewater generated after treatment. All the wastewater is collected and treated in STP/ETPs and treated wastewater is completely recycled or reused as appropriate.

We haven't carried out assessment / evaluation / assurance by any external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of Co2 equivalent	509	479
Total Scope 3 emissions per crore rupee of turnover		0.68	0.4

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We haven't carried out assessment / evaluation / assurance by any external agency .

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Aligning emissions management strategy with the global goals of minimizing carbon footprint and mitigating climate change risks, the Company has streamlined its processes to move closer to this common goal. Reducing GHG emissions is not only a business imperative for EKC, but also forms a vital part of its environmental strategy going forward. With the use of Renewable Energy sources, alternate fuel, and energy efficiency efforts, the Company has been able to reduce emissions. The Company is committed to energy conservation and ensure efficient energy usage at all its operational facilities. Energy management forms a vital part of the Company's approach towards sustainable operations. Facilities operate with an aim to reduce energy consumption in the processes which has a direct impact on carbon emissions. Renewable electricity generation is one of the identified focus areas and several investments have been made in this space over the years.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Switch over to LED lights from fluorescent lights	Use of LED lights	Saving in Power consumption
2	Installation of new spinning machine	Electric load reduced from 175 KW to 80 KW	Reduction in Electric load
3	Installation of new spinning machines	Fuel consumption reduced from 1.11 Cubic meter to per operation to 0.5 cubic meter per operation	Reduction in Fuel consumption
4	Installation of new pipe cutting machines	Reduction in Stores items like Blade etc. and increased productivity by 3 times, reducing power consumption	Saving in Power consumption and increased productivity
5	Installation of New Pressure Air Booster	New High Pressure Air Booster	Saving in Power consumption by 77%
6	New Powder Coating Line	New Powder Coating Line	Saving in Power consumption by 24%
7	Garden Area Development	Garden area Development inside and outside factory premises	Reduction in pollution

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Emergency plan is prepared at all plants and mock drills are conducted in once in six months. Following are the major components of the emergency plan

- All probable hazards, their place, potential, damaging capacity and areas in case of all accidents, dangerous occurrence, emergencies and disasters happening in or affecting the jurisdiction at any time detailed emergency response for each hazard scenario.
- Emergency response team on site consisting of site main controller, incident controller, firefighting team, first aiders, communications team, power and utility teams.
- Responsibilities and functions of key member's emergency response team and alternates.
- Emergency control centre and minimum infrastructure required in emergency control centre.
- List of Regulatory agencies with names and telephone Numbers.
- List of Telephone numbers of Local Hospitals and telephone numbers.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The company does not have any adverse impact on the environment due to its supply chain activities.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 4 trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Bombay Chamber of Commerce and Industry	State
2	All India Industrial Gases Manufacturers Association	National
3	Entrepreneurs Organisation Mumbai	State
4	Federation of Kutch Industries Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
For the reporting year, there were no cases issued against the Company for issues pertaining to anticompetitive conduct.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly / Quarterly / Others – please specify)	Web Link, if available
Nil					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
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The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. Details of CSR initiatives taken by the Company and agencies and impact assessment thereof are provided in the Annexure I to the Directors' Report.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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The Company does not have any ongoing projects.

3. Describe the mechanisms to receive and redress grievances of the community.

EKC's CSR implementation process has been developed keeping in mind the specific needs of the communities that it operates in. The Company finalises its community initiatives after a thorough understanding of the specific needs of each community through stakeholder engagement and need assessment.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	1%	1%
Sourced directly from within the district and neighbouring districts	NA	NA

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. Details of CSR initiatives taken by the Company and agencies and impact assessment thereof are provided in the Annexure I to the Directors' Report.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. Details of CSR initiatives taken by the Company and agencies and impact assessment thereof are provided in the Annexure I to the Directors' Report.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised / vulnerable groups.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
The Company undertakes its CSR initiatives directly and through various implementation agencies in accordance with the applicable laws. Details of CSR initiatives taken by the Company and agencies and impact assessment thereof are provided in the Annexure I to the Directors' Report.			

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily. The Company ensures to keep the customer informed loop throughout the entire process of complaint resolution and focus on resolving customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. The Company also maintains multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint.

2. Turnover of products and / services as a percentage of turnover from all products/service that carry.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and / or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Receive during the year	Pending resolution at the end of the year		Receive during the year	Pending resolution at the end of the year	
Data privacy	No complaints have been received under the following categories.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on the Company's website at <https://everestkanto.com/wp-content/uploads/2022/12/Data-Privacy-Policy.pdf>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The platforms used for the information are Website, Integrated Annual Report, Social Media platforms and Media advertisement/publications. Information relating to all the products and services provided by the Company are available on the Company's website at <https://everestkanto.com/portfolio>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adheres to relevant regulatory requirements by disclosing information to its stakeholders on the safe and responsible usage of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, product information is available in the Product Information Sheet and on the website of the Company.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact.

The Company has not had any known incident data breaches during the financial year 2022-23.

b. Percentage of data breaches involving personally identifiable information of customers

Nil

MANAGEMENT DISCUSSION AND ANALYSIS – FY23

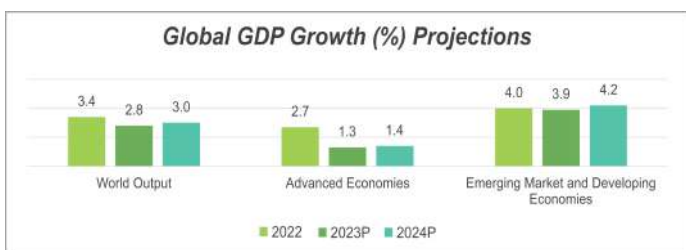
FORWARD - LOOKING STATEMENTS

This report contains forward-looking statements identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to the Company’s strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

ECONOMIC OVERVIEW

Global Economy

The global economy is experiencing a slowdown in 2022 due to a combination of factors, including the ongoing effects of COVID-19, tightening financial conditions, higher-than-average inflation, and the ongoing Russia and Ukraine war. As a result, the global economy is anticipated to reach its lowest growth rate in 2023, estimated at 2.8%. However, there is an expectation of improvement as the growth rate is projected to experience a modest increase to 3.0% in 2024. In terms of global inflation, a decline is expected, although the pace of decline is predicted to be slower than previously estimated. Inflation is projected to decrease from 8.7% in 2022 to 7.0% in 2023, and further decline to 4.9% in 2024.



Source: IMF – April 2023

Indian Economy

India’s economy is undergoing a formidable recovery, despite the challenges posed by the pandemic-induced disruptions, the Russian-Ukraine conflict, and inflation. This resilient rebound can be attributed to the diverse sectors that are propelling the nation towards a return to pre-pandemic growth levels in FY23. India is poised to become a \$7 trillion economy by 2030, driven by rapid financialization, a transition towards clean energy, and the digital revolution. This projection highlights India’s potential to double its economy in just seven years, leveraging factors

such as its demographic dividend and robust domestic consumption, which have historically fueled its growth. With an average annual growth rate of 7.5% over the past two decades, India’s growth trajectory appears promising.

India is expected to maintain its position as the world’s fastest-growing large economy, as the International Monetary Fund (IMF) projects a growth rate of 6.1% for India in 2023-24. This positive outlook reflects the resilience and dynamism of India’s economy. Despite certain factors, such as a decrease in consumption and the implementation of tighter monetary policies, which may temporarily impact growth, India’s economic landscape remains promising. Furthermore, the proactive measures undertaken by the government, including the expansion of public digital platforms and initiatives to bolster manufacturing output, are expected to further fuel India’s economic expansion. With a favorable inflation outlook and a strong foundation for growth, India’s future shines bright as it continues to chart a path of remarkable economic success.

Source: Asian Development Outlook 2023; Industry News

INDUSTRY SCENARIO

Domestic Demand

The gas sector holds a significant position among the core industries in India and holds considerable influence over decision-making in various sectors of the economy. As India’s economy continues to grow, there is a corresponding increase in the demand for energy, particularly natural gas. This positive outlook presents attractive investment opportunities within the gas sector.

In the preceding year, the notable surge in CNG prices, driven by various factors, had a significant impact on the demand for CNG cylinders, primarily in the commercial vehicle (CV) segment. The resulting higher prices posed challenges for the CNG industry, leading to a decline in consumption.

However, the recent revision in the domestic gas pricing methodology is anticipated to have a positive effect on gas prices in India. This reduction in prices is expected to benefit several sectors, including the fertiliser industry, City Gas Distribution (CGD) consumers, and the power sector. In response to the price reduction, city gas distribution entities promptly passed on the benefits to consumers in the CNG and PNG segments. Consequently, the adoption of CNG and PNG is projected to gain momentum, fueled by enhanced affordability and cost-effectiveness of gas as a cleaner energy option. This shift towards cleaner energy sources aligns with the country’s efforts to drive an energy transition towards more sustainable and efficient solutions.

According to the ICRA report, CNG is expected to emerge as the second most popular powertrain in the near to medium term. Its penetration in the passenger vehicle segment is projected to rise to nearly 18% by 2027, a significant increase from the 11% recorded in 2022. These statistics further highlight the growing

recognition and acceptance of CNG as a favorable alternative within the automotive industry.

In summary, the gas sector's importance in the Indian economy, combined with the recent developments in pricing methodology and market projections, presents an optimistic outlook for the industry's future. The revised pricing methodology, aimed at striking a balance between consumer affordability and industry viability, is poised to drive increased gas consumption and expedite the country's transition towards cleaner and more efficient energy sources.

Gasification of the Indian economy

- Target to increase share of natural gas in energy mix from 6.7% to 15% by 2030.
- Approximately US \$ 100 billion investment potential in Indian oil & Gas Sector.
- Gas Sector is among eight core industries in India.
- Oil & Gas sector accounts for around 35% of our energy mix.
- 3rd Largest total primary energy consumption in the world.
- Energy Demand growth projected at a CAGR of 2.5% during 2019-2040 Approved.
- CGD rollout: Potential to cover 53% of country's area and 70% of population.

Opportunities in Natural Gas Sector:

 CNG for Infra-City Transportation: By 2024, around 85,000 Buses are expected to be converted to CNG.	 Mobile Refueling Unit based CNG Stations: Potential of installing around 2,200 MRUs. Also, MRU can be a solution for congestion management issues in existing CNG stations.	 Telecom Service Towers: 2 lakh telecom towers can be converted to gas generator. Market is expected to grow at a CAGR of 3% over next 4-5 years.	 Market for Equipment and Spares in CGD Sector: Market size of USD 5 billion in PNG by 2024. Market size of USD 2 billion in CNG stations by 2024.
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Source: Ministry of Petroleum and Natural Gas, Government of India

CNG Usage Trends

By the year 2030, India is projected to have more than 17700 compressed Natural Gas (CNG) stations, marking a five-fold increase within a decade, and ensuring comprehensive coverage across the country. The demand for this alternative fuel is expected to increase as automakers boost production and introduce a greater number of vehicle models equipped with CNG kits, given the cost-effectiveness of CNG vehicles compared to those running on gasoline or diesel.

Trend in CNG fueling stations across the country



Source: ICRA Research



The development of CNG fueling infrastructure has been progressing well throughout the country, with notable improvements in fuel availability even in Tier-II cities.



With an ambitious goal in mind, the Government has set a target to significantly increase the number of CNG fueling stations across the country to 17,700 stations by 2030. This strategic move aims to not only improve the availability of CNG fuel but also generate greater interest among consumers in utilizing this powertrain option.

Increasing environmental consciousness also plays a significant role in driving the adoption of CNG. Many Indian cities currently exceed recognized air pollution standards, prompting various initiatives to establish eco-friendly transportation systems. One such measure is the car scrappage policy, which seeks to retire older, more polluting vehicles from the roads, incentivizing the purchase of new vehicles. Additionally, the conversion of city and state transportation bus fleets, as well as other mass transit vehicles, to CNG fuels, is expected to gain popularity nationwide as part of ongoing programs promoting cleaner fuels.

The City Gas Distribution (CGD) industry demonstrates greater affordability compared to the power and fertilizer sectors, making it resilient to higher gas costs. Natural gas has proven to be more cost-effective than competing fuels for most customer segments within the CGD space. With the expansion of gas networks into new cities, the cost advantage of Compressed Natural Gas (CNG), and the increasing adoption of Piped Natural Gas (PNG) in residential, industrial, and commercial sectors, the demand for natural gas in the CGD sector is expected to grow steadily.

The gradual development of the CGD sector will be driven by the rising awareness of environmental concerns, particularly in the automobile and industrial sectors where natural gas usage is seen as a substitute for coal. The use of natural gas is expected to increase to address environmental issues.

Source: Ministry of Petroleum & Natural Gas; ICRA Research

Industrial Usage Trends

With India's renewed emphasis on expanding domestic manufacturing, the outlook for industrial demand appears promising in the coming years. Within this framework, there is expected to be an expansion in the demand for various gases that power a wide range of industrial activities, aligning with the country's objective of achieving a 15% gas contribution in the fuel mix by 2030.

The market for industrial gases in India, encompassing oxygen, hydrogen, nitrogen, and carbon dioxide, is projected to witness a compound annual growth rate. This growth will be fueled by increasing demand from sectors such as metals and steel, automobiles, refineries, and chemicals, as well as the emergence of new gas-related applications in the country. Additionally, the healthcare and food and beverage industries, among others, are expected to contribute to the growth of the industrial gases market in India.

Supply to Medical Establishments

Medical gas supply systems play a crucial role in hospitals and healthcare facilities by establishing an ecosystem of specialized gases and gas mixtures. These include essential gases like oxygen, medical air, nitrous oxide, nitrogen, carbon dioxide, medical vacuum, and anaesthetic gases. The utilization of these gases extends across various areas within healthcare facilities, including general wards, operating theatres, intensive care units, recovery rooms, and other major treatment rooms.

As medical facilities expand, both in urban and rural areas, there has been a steady increase in the demand for medical gases, cylinders, and related equipment from both the public and private sectors. This growth reflects the ongoing need to meet the rising healthcare demands of the population and underscores the importance of ensuring adequate and reliable supplies of medical gases in healthcare settings.

Aerospace and Defence:

The Aerospace & Defence industry on a global scale has witnessed significant growth driven by increased production of commercial aircraft and higher defense expenditures. In the aerospace sector, the demand is centered around next-generation, fuel-efficient aircraft, leading to a continuous rise in order backlogs. Gases play a vital role in this industry, extensively utilized for various applications such as welding, cutting, heating, laser operations, thermal spray coating, and heat treatment processes.

In the defense sector, heightened global tensions and geopolitical risks have resulted in increased spending. This is further augmented by the growing need to replace fossil fuels with alternative fuels for the operation of aircraft, combat ships, vehicles, and supporting equipment. The industry is actively exploring and adopting alternative fuel solutions to meet these requirements.

Fire Safety Equipment and Fire Suppression Systems

The increasing demand for advanced fire safety systems is likely to be fueled by various industries, including manufacturing, utilities, petrochemicals, mining, oil and gas exploration, energy and power, automotive, and construction. This growth is driven by the implementation of stringent regulations worldwide, which mandate higher safety standards at industrial, residential, and commercial premises. As a result, there is a growing emphasis on the adoption of advanced fire safety measures to prevent and mitigate fire-related risks.

EKC'S BUSINESS FRAMEWORK

- Everest Kanto Containers Limited (EKC), established in 1978, is a clean energy solutions company and a leading global manufacturer of seamless steel gas cylinders with over 20 million industrial gas and CNG cylinders currently in service.

- EKC operates two manufacturing facilities in India located at Tarapur (Maharashtra) and Kandla SEZ (Gujarat) and two international facilities at Jebel Ali Free Zone in Dubai and Pittsburgh (PA), USA, with an aggregate capacity of over 1.5 million cylinders annually.
- EKC's product range of industrial, CNG and jumbo cylinders are used for high-pressure storage of gases such as oxygen, hydrogen, nitrogen, argon, helium, air, etc and find applications in a wide variety of industries such as manufacturing, fire equipment/suppression systems, medical establishments, aerospace/defence, and automobiles apart from some specialized usage areas. The Company has a ~150-strong client base in these vertical segments including Tata Motors, Bajaj Auto, Hyundai, Toyota, BOC India, Praxair, Mahanagar Gas and Adani Gas.
- Given its strong position in the Indian domestic market, where it enjoys a substantial market share, and wide acceptance across several key international markets built over the last four decades, EKC is poised to benefit from the increasing usage of gases in industrial production and automobile sectors based on both economic and environmental considerations.
- Anticipated growth in the demand for gas cylinders stems from their expanding utilization in both traditional and emerging non-traditional applications. EKC has strategically established a comprehensive framework of capabilities, supported by versatile manufacturing assets, enabling us to cater to various facets of demand in both the Indian market and several high-potential usage markets. With over four decades of industry experience, our company has earned the trust and confidence of the industry, particularly in a product where quality, safety, and reliability are paramount considerations for cultivating preferred supplier relationships.

GLOBAL OPERATIONS

Dubai

EKC International FZE, a subsidiary of the Company in Dubai, deals with CNG cylinders, industrial cylinders, cascades, multiple element gas containers specialized fire suppression systems and fire detection/alarm systems. Its target markets include the Middle East, South America, Eastern and Western Europe. Further, the subsidiary has received PESO (Petroleum & Explosive Safety Organization) Approval that now enables it to supply cylinders world-wide, including exports to India. With the expansion in demand from multinational companies operating in the fire-fighting and allied fields in the Indian market, there is a need for supplying them gas cylinders approved to international standards and cleared by the Chief Controller of Explosives (CCOE) for imports to India. The approval of the Dubai plant opens another market opportunity for EKC to service global companies that have operations in India, without the need to

maintain additional inventory, while keeping quality associated with the EKC brand intact.

USA

In the U.S., EKC's operates through CP Industries Holdings Inc, which is a world leader in innovation, producing large, seamless pressure vessels. The product portfolio includes ground storage and mobile transportation for industrial gases and alternative fuels, on board cylinders for passenger and commercial vehicles, flasks for the U.S. Government shipboard systems, specialty vessels for foreign military, vessels for oil and gas exploration and cylinders for other specialty applications. CPI also markets DOT-approved industrial cylinders sourced from India and Dubai.

Europe

Over the years, the Company has successfully expanded its presence in European markets via its subsidiary, EKC FZE, which caters to the Indian and Dubai plants and also sources products from the U.S. facility. The subsidiary has played a crucial role in composite cylinder product development for the US plant by leveraging its in-house expertise. Notably, the Company has gained access to key markets such as Italy, Germany, France and Hungary.

STRENGTHS

Continued Dominance in the Indian Market

Since its establishment in 1978, EKC has emerged as a notable player in India, specializing in high-pressure seamless cylinders. The Company's early entry into the market has provided it with a significant competitive advantage, allowing it to secure the largest market share across all sectors. This success can be attributed to EKC's longstanding relationships with customers, bolstered by its status as the country's largest producer and its efficient supply chain for raw materials.

Well-Established Manufacturing Infrastructure

With multi-locational production facilities across India, Dubai and USA, EKC has established itself as a global player in the industry. The cylinders manufactured by EKC have earned a global reputation for high standards of quality and comply with the most stringent specifications laid down by international bodies and local authorities. EKC manufactures cylinders conforming to Indian Standards such as IS 7285 (Part 1), IS 7285 (Part 2) and IS 15490 and international standards such as ISO: 11439, ISO: 9809-1, NZS: 5454, ISO: 4705D, EN: 1964, ISO: 11120, ECE R-110.

Experienced Management

EKC's core management team includes several eminent people with deep domain knowledge and understanding of business intricacies. The existing team has been associated with the

Company for decades, contributing substantially to its current position of leadership.

Renowned Worldwide

EKC Group exports to over 25 countries globally including countries in Southeast Asia, Middle East, USA, Europe, South America and Commonwealth of Independent States. Stringent quality standards and value-driven production norms underlie the Company's world-class products, global competitiveness, and superior logistical capabilities.

Extensive Product Variety and High Capacity

EKC, along with its subsidiaries, has set up global scale capacities aggregating to more than two million cylinders annually with products ranging from 1 litre to 3,000 litres capacity. Its wide and versatile range includes Industrial Gas Cylinders, CNG Cylinders, CNG Cylinder Cascades, Jumbo Cylinders, Jumbo Skids and Composite Cylinders.

Diverse Network of Established Connections

EKC has demonstrated the unique ability and flexibility to meet customer specifications in line with international standards. This is backed by an ecosystem of deep trust across suppliers, gas distributors, OEM's and regulatory authorities including the Chief Controller of Explosives, Bureau of India.

Commitment to Advancing Technological Innovations

EKC has always been the first mover in imbibing the latest emerging trends in cylinder manufacturing technologies such as powder coating painting booths and ultra-high productive machines and expects to maintain its commitment to improvements in all aspects of its production processes.

CHALLENGES, RISKS AND CONCERNS

Rise in Input Expenses

To maintain continuous manufacturing, EKC successfully manages all of its critical raw material suppliers. Additionally, it has expanded its local and international supplier network to ensure seamless access to essential raw materials. Unpredictable price changes for raw materials like seamless steel tubes, which can happen for a number of reasons, might hamper profitability and, in the short term, reduce demand. The marketing division routinely reviews the cost of raw materials to lower this risk.

Heightened Competitive Environment

The Company enjoys #1 position in the market and has been a preferred partner for buyers of high-pressure gas cylinders, including both public and private customers. Even though the Company has a strong market position, it does face competition from domestic as well as imported products.

New Product Development

With technological development, the possibility of newer product developments can emerge potentially serving as substitutes for the Company's products. However, it is important to note that such nascent technologies often come with substantial acquisition and maintenance costs.

Currency Exchange Rate Variation

Foreign currency exchange rates fluctuate on an on-going basis due to the constantly shifting political and economic conditions. Since seamless steel tubes, a key raw material, are primarily imported and priced in foreign currencies, this could have a considerable influence on the company's profitability. The company's treasury unit keeps a close eye on currency exchange rates and actively weighs the cost of hedging net exposures against its internal risk management policy.

Electric Vehicles

Despite the significant emphasis on Electric Vehicles (EVs), widespread implementation still faces obstacles, primarily due to the lack of operational charging infrastructure, hindering seamless integration. Moreover, the current downsides of EVs, such as higher costs, reliance on the power source's environmental impact, limited charging infrastructure, longer refueling times, and the need for rare metals in batteries, underscore the need for further development and improvements.

Litigation Risks

Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, employment related matters etc. Growing business stature of the Company may even lead to frivolous litigation that is without any legal merit, which is an inherent risk faced by all business entities. In addition to incurring legal costs and distracting the management, any litigation garners negative media attention and increases reputation risk. Adverse rulings can result in substantive damages.

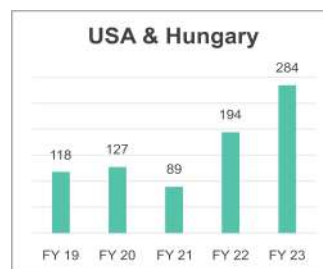
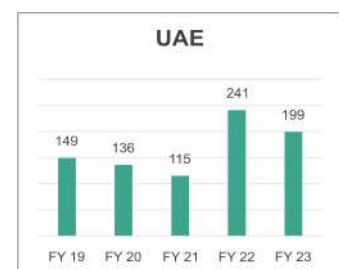
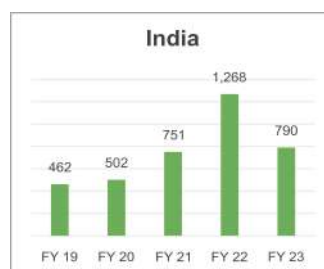
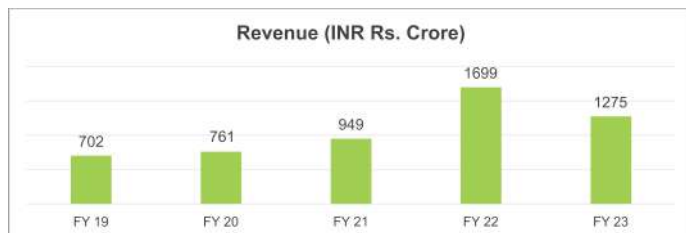
Environmental Risks

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

FINANCIAL VIS-A-VIS OPERATIONAL PERFORMANCE

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year ended March 31, 2023. The financial statements of the Company and its subsidiaries (collectively referred to as 'EKC' or 'the Company') are prepared in accordance with the Indian

Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.



FY2023 has presented its fair share of challenges for EKC, particularly in the CNG cylinder industry. Additionally, the negative impact on our performance was intensified by a decline in the high-margin commercial vehicle CNG segment. However, we continued to witness a steady contribution from the industrial segment, which partially offset the decline and supported our performance.

On a standalone basis, FY23 revenues stood at ₹ 789.7 crores, and EBITDA at ₹ 107.6 crores, with a margin of 13.6%. PAT stood at ₹ 72.1 crores. On a consolidated basis, revenues stood at ₹ 1,274.5 crores. EBITDA stood at ₹ 161.1 crores, with a margin of 12.6%, and PAT stood at ₹ 76.0 crores. Revenue from CNG segment stood at ₹ 619.9 crores, contributing to 48.4% of revenue, followed by Industrial business at ₹ 336.8 crores, contributing 26.7%, and Jumbo cylinders at ₹ 249.9 crores, contributing 19.8% of total revenue.

Throughout the year, our profitability was significantly impacted by multiple factors, including a decline in revenues and the escalating costs of raw materials and other expenses. These challenges created a difficult operating environment, placing downward pressure on our financial performance. Despite this, we have strengthened its balance sheet position. Through prudent financial management, we have taken proactive measures to enhance our financial stability and resilience. By fortifying our balance sheet, we have positioned ourselves to navigate the evolving market conditions more effectively.

During the year, the Company successfully operationalized the second phase of the Brownfield facility, resulting in a capacity increase of 100,000 cylinders and raising our total rated capacity in India to approximately 1.2 million cylinders annually. Our strategic focus now lies in optimizing the utilization of our overall capacity through efficient production planning and inventory management, allowing us to meet the uptick in demand anticipated in the coming year.

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

(₹ In Crores)	FY23	FY22
Income from Continuing Business Operation	1,274.5	1,698.8
Earnings before interest, tax, depreciation and amortization (before other income)	161.1	392.0
Profit Before Tax (PBT)	115.9	359.9
Profit after Tax from continuing operation	75.9	264.5

Dividend

For FY 2022-23, the Board of Directors recommended a dividend of ₹ 0.70 per share. For details on dividend distribution policy, please refer to the investors section of the Company's website at www.everestkanto.com.

Outlook

Although there has been an unexpected decrease in the demand for CNG cylinders during the year, we maintain our confidence in the long-term potential of the industry. The Central Government remains dedicated to achieving net-zero emissions and has established a target of increasing the share of Natural Gas in the primary energy mix to 15% by 2030. Consequently, there is a significant focus on developing the CNG infrastructure.

Despite the challenges we have faced, the company remains optimistic about the potential for CNG cylinders in India. The government's commitment to increasing the utilization of eco-friendly natural gas, coupled with fiscal incentives and infrastructure development, creates a favourable environment for CNG vehicles. Additionally, the government has recently approved the recommendations of the Kirit Parikh panel on natural gas pricing, which includes the imposition of gas price caps. These reforms have resulted in a decrease in CNG prices across the country. This development further strengthens the outlook for the future utilization of CNG in the nation and enhances the attractiveness of CNG as a viable and affordable fuel option. The continuous expansion of the CNG distribution network across the country complements these reforms and supports the growth prospects of the CNG vehicle market.

Internal Control System

The Company has an Internal Audit System commensurate with its size and nature of business operations. At the start of every financial year, the Audit Committee finalizes scope of work with the Internal Auditor wherein key and other areas are identified for verification for onward submission of their report to the Audit Committee of the Board. The Internal Auditor submits report on quarterly basis. EKC has also implemented adequate internal controls towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with the applicable laws, rules and regulations.

Human Resources and Industrial Relations

The Company recognizes importance of manpower in overall business growth of the Company; hence it provides substantial thrust on the human resources of the Company. The Company undertakes various HR initiatives to enhance productivity of the employees thereby leading to integration of their personal and Company's goal. Training and Development of the employees forms an integral part of the Company's policy towards achieving its objectives. The Company has resilient talent management framework facilitating in identifying and nurturing employees with long term potential to take up critical leadership roles. The objective of this meticulous and consistent effort is to build a strong future-fit talent pool that is empowered to take the organization into a new orbit of growth and sustainability, keeping in view the career aspirations. The Company has XX employees as on March 31, 2023.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company’s essential character is shaped by the very values of transparency, integrity, professionalism, accountability and overall customer satisfaction. The Company continuously endeavors to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities to attain the goal of value creation.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in the various Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including statutory enactments, modifications, and amendments, thereof (hereinafter referred to as LODR Regulations), as applicable to the Company from time to time.

2. BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate “Non-Business” risks.

The Board provides leadership, strategic guidance, objective and its independent view to the Company’s Management while discharging its responsibilities and ensures that the Management adheres to ethics, transparency and disclosures which ultimately serves the long-term goals of all its stakeholders along with achievement of Company’s objectives and sustainable profitable growth. The Board ensures that the Management is accountable for achieving the long-term goals of the Company and also ensures compliance of applicable statutes.

• Composition and Size of Board

The Company’s policy is to maintain optimum combination of Executive and Non-Executive Directors, all of whom are eminent persons with considerable professional expertise and experience in business and industry, Finance, Management and Law. Your Company is managed and guided by a professional Board comprising 6 Directors, whose composition as on March 31, 2023 is given below:

- Two Promoters and Executive Directors: One Managing Director and one Executive Chairman;
- Four Non-Executive, Independent Directors including 2 Women Directors.

During the year, the composition of the Board of Directors was in conformity with the Regulation 17 of the LODR Regulations. Except Mr. Pushkar Khurana, Executive Chairman all Independent Directors and Managing Director are not liable to retire by rotation. None of the Directors on the Board holds directorship in more than ten public companies. None of the Directors on the Board has attained the age of 75 years.

All the Independent Directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the LODR Regulations and Section 149(6) of the Companies Act, 2013 (the Act). They have also confirmed their registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs in compliance with the requirements of the Companies (Appointment and Qualifications of Directors) Rules, 2014. In terms of Regulation 25(8) of LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. Further, the Company reiterates the same as they have fulfilled the required conditions of LODR Regulations and the Act and they are independent of the Management.

None of the Independent Directors serve as an Independent Director in more than 7 listed companies. The Independent Directors are appointed for a term of five years, subject to maximum of 2 terms of 5 years each. The Company has issued letter of appointment/ re-appointment to the Independent Directors in the manner as provided in the Act. The terms and conditions of their appointment/ re-appointment have been disclosed on the website of the Company.

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

Sr. No.	Name of the Directors	Number of Directorships in other public companies [^]	Number of Committees positions held in other public companies ^{^^}	
			Member	Chair-person
1.	Mr. Pushkar Khurana, Executive Chairman (DIN: 00040489)	1	Nil	Nil
2.	Mr. Puneet Khurana, Managing Director (DIN: 00004074)	2	Nil	Nil
3.	Mr. M. N. Sudhindra Rao, Non-Executive Independent Director (Din: 01820347)	Nil	Nil	Nil
4.	Mr. Ghanshyam Karkera Non-Executive Independent Director (Din: 00001829)	1	2	Nil
5.	Dr. Vaijayanti Ajit Pandit Non-Executive Independent Director (Din: 06742237)	6	6	1
6.	Mrs. Uma Acharya Non-Executive Independent Director (Din: 07165976)	2	1	1

[^]Excluding Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate Directorship, Companies under Section 8 of the Act.

^{^^}Comprise Chairmanship/Membership in Board Audit Committee and Shareholders Relationship Committee.

• **Directorships held in other Indian listed entities as on March 31, 2023:**

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

Mr. Pushkar Khurana, Executive Chairman, Mr. Puneet Khurana, Managing Director, Mr. Ghanshyam Karkera and Mr. Sudhindra Rao, Independent Directors of the Company are not a Director of any other listed entity.

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

Minimum four pre-scheduled Board Meetings are held every year. Additional Meetings are held to address specific needs, if any, of the Company. During the Financial Year 2022-23, the Board of Directors met four times i.e. on May 27, 2022, August 9, 2022, November 9, 2022 and February 11, 2023. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

• **Details of Board of Directors and their attendance at Board Meetings and last Annual General Meeting (AGM):**

Director	Category	Attendance Particulars		
		Board Meetings		Attendance at Last AGM held on September 23, 2022
		Held	Attended	
Mr. Pushkar Khurana	Promoter, Executive Chairman	4	4	Yes
Mr. Puneet Khurana	Promoter, Managing Director	4	4	Yes
Mr. M. N. Sudhindra Rao	Independent, Non-Executive	4	4	No
Mr. Ghanshyam Karkera	Independent, Non-Executive	4	4	Yes
Dr. Vaijayanti Ajit Pandit	Independent, Non-Executive	4	4	Yes
Mrs. Uma Acharya	Independent, Non-Executive	4	4	Yes

• **Board Meetings and Procedures:**

The Board of Directors is the apex body constituted by the Members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman, Managing Director and other Senior Managerial Personnel oversees the functional matters of the Company.

- i. Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- ii. The Meetings were held at the Registered Office of the Company situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021. However, the Company also provided the facility for Video Conferencing to its Directors pursuant to relaxation given by SEBI & MCA.
- iii. As per Secretarial Standard-1 the Agenda and Notes on Agenda are circulated to all the Directors, at least 7

days in advance, in the defined Agenda format. All material information is incorporated in the agenda for facilitating meaningful discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference of the same in the agenda. Additional or supplementary item(s) on the agenda are taken up for discussion/decision with the permission of the Chairman.

- iv. The Board is briefed about finance, sales, marketing, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company. All necessary information which includes but is not limited to the items mentioned in various Regulations of the SEBI LODR Regulations 2015 are placed before the Board of Directors. The Members of the Board are free to bring up any matter for discussions at the Board Meetings.

- v. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. Senior Management is invited to attend the Board Meetings as and when required, so as to provide additional inputs to the items being discussed by the Board.
- vi. The Minutes of the Board Meetings of unlisted subsidiary companies are tabled at the Board Meetings. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies.
- vii. The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. The minutes of each Board/Committee Meetings are circulated in draft to all Directors for their confirmation before being entered in the Minutes book. The minutes are entered in the Minutes Book within 30 days from conclusion of the concerned meeting.

• **Role of Independent Directors:**

Independent Directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company and oversee performance of the Management. They are committed to act in the best interest of the Company and its stakeholders. The Independent Directors are professionals with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of their fields of expertise as well as the boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

In the opinion of the Board, the Independent Directors fulfill the criteria for independence and are independent of the Management.

• **Separate Meeting of Independent Directors:**

In accordance with the provisions of Schedule IV to the Act and Regulation 25 of the LODR Regulations, a separate meeting of the Independent Directors of the Company was held on March 29, 2023. All four Independent Directors were present at the meeting and discussed and review the:

- a) Performance of Non-Independent Directors and the Board as a whole;
- b) Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

• **Inter-se relationships among Directors:**

Mr. Pushkar Khurana (Chairman and Executive Director) and Mr. Puneet Khurana (Managing Director) of the

Company are sons of Late Mr. Prem Kumar Khurana, the then Chairman & Managing Director of the Company and are related to each other as real brothers.

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

- None of the Non-Executive Independent Directors holds any equity shares of the Company.
- None of the Independent Directors of the Company have resigned during the year.

• **Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's business model, group structure, organization structure and such other areas. These programs also intend to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company to enable them to make effective contribution and discharge their functions effectively, as a Board Member. The details on the Company's methodology of the Familiarization Program for IDs can be accessed at: <https://everestkanto.com/wp-content/uploads/2023/08/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-2.pdf>.

• **Matrix setting out the skills/expertise/competence of Board of Directors:**

The Directors of your Company are from diverse fields and have expertise and long-standing experience and expert knowledge in their respective fields which are relevant and of considerable value for the Company's business growth. The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and sector(s) for it to function effectively are tabulated below:

Core Skills / Expertise / Competencies	Mr. Pushkar Khurana	Mr. Puneet Khurana	Mr. M. N. Sudhindra Rao	Ms. Uma Acharya	Mr. Ghanshyam Karkera	Dr. Vajjayanti Ajit Pandit
Leadership / Operational expertise	✓	✓	✓	✓	✓	✓
Strategic planning	✓	✓	✓	✓	✓	✓
Sector / Industry Knowledge & Experience, Research & Development and Innovation	✓	✓	✓	✓	✓	✓
Financial, Regulatory / Legal & Risk Management	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓

3. BOARD COMMITTEES

To enable better and focused attention of the affairs of the Company, pursuant to requirements of the Act and LODR Regulations, the Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function within their respective Charters. These Committees play a pivotal role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform their duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board Level Committees are as under:

AUDIT COMMITTEE

(a) Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, inter alia, to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies etc.

The Audit Committee has been constituted under the provisions of Section 177 of the Act. The terms of reference, powers and role of Audit Committee are in accordance with Regulation 18(3) and Schedule II of the LODR Regulations read with Section 177(4) of the Act. The broad terms of reference/functions of Audit Committee are as under:

- i. Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement and auditor's report is correct, sufficient and credible;
- ii. Recommend the appointment, remuneration terms of appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Reviewing, with the Management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) / Qualifications in the draft audit report;
- vi. Reviewing, with the Management, the quarterly financial results and auditor's limited review reports before submission to the board for approval;
- vii. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- viii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- ix. Reviewing with the Management, performance of statutory and internal auditors, adequacy and effectiveness of internal control systems and processes;
- x. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xi. Discussion with Internal Auditors any significant findings and follow up there on;
- xii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiii. Evaluation of internal financial controls and risk management systems;
- xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- xv. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- xvi. To review the functioning of the Whistle Blower Mechanism;
- xvii. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
- xviii. Scrutiny of inter-corporate loans and investments;
- xix. Valuation of undertakings or assets of the company, wherever it is necessary;
- xx. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxi. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xxii. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc.;
- xxiii. Carrying out any other functions as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

The audit committee mandatorily review the following information:

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

(b) Composition, Name of the Members and Chairperson

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Act and Regulation 18 of the LODR Regulations. The composition of the Audit Committee and attendance of each Member at the Audit Committee Meetings held during the year is as under:

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

All the members of the Committee are financially literate, Chairman of the Audit Committee Mr. Ghanshyam Karkera, has adequate knowledge, experience and expertise in accounts and finance and audit.

The Statutory Auditors, Internal Auditors and executives of Accounts & Finance Department attend the Meetings as invitees. The Statutory Auditors and the Internal Auditors are present at the Meetings for discussion on their broad findings. The Company Secretary is the Secretary to the Audit Committee. The Minutes are circulated and discussed at the Board Meetings.

(c) Meetings of the Audit Committee

Four meetings of the Audit Committee were held on May 27, 2022; August 9, 2022; November 9, 2022 and February 8, 2023 during the financial year ended March 31, 2023. The quorum of Audit Committee Meetings is two Members or one third of the Members, whichever is greater. Necessary quorum was present for the Meetings of Committee. The gap between two Meetings did not exceed 120 days. Mr. Ghanshyam Karkera attended the last AGM of the Company as Chairman of Audit Committee. The Board of Directors has accepted all the recommendations made by Audit Committee from time to time.

B. NOMINATION & REMUNERATION COMMITTEE (NRC):
(a) Terms of Reference

The Nomination & Remuneration Committee (NRC) has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the LODR Regulations and it comprises of three Independent, Non-Executive Directors and one Promoter Executive Director.

The terms of reference of NRC are:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. For every appointment of an independent director, NRC evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iv. Devising a policy on diversity of Board of Directors;
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- vii. recommend to the board, all remuneration, in whatever form, payable to senior management;
- viii. While formulating the Policy, the Committee should ensure that-
 - the level and composition of remuneration is reasonable and sufficient to attract, retain

and motivate directors of the quality required to run the company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
- ix. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by NRC.

(b) Composition, Name of the Members and Chairperson and attendance of each member:

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. M. N. Sudhindra Rao	Chairman	Independent & Non-Executive	4	4
Mr. Ghanshyam Karkera	Member	Independent & Non-Executive	4	4
Mrs. Uma Acharya	Member	Independent & Non-Executive	4	4
Mr. Pushkar Khurana	Member	Promoter, Executive Chairman	4	3

(c) Meetings of the Nomination & Remuneration Committee:

During the year under review, four meetings of the NRC were held on May 27, 2022; August 9, 2022; December 16, 2022 and March 8, 2023. The Minutes of NRC Meetings are circulated and noted by the Directors at Board Meetings. The quorum of NRC meeting is either two members or one-third of the members of the Committee, whichever is greater including at least one Independent Director. The Board of Directors has accepted all the recommendations made by NRC from time to time.

(d) Performance Evaluation criteria for Independent Directors:

NRC has set the performance evaluation criteria for Independent Directors and have formulated the performance evaluation framework, which has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment, efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing

corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

(e) Remuneration of Directors

- **Nomination and Remuneration Policy**

In accordance with the requirements of Section 178 of the Act and Regulation 19 of the LODR Regulations 2015, the Board has formulated a Nomination and Remuneration Policy. The policy has been posted on the Company's website and the web link for the policy is <https://everestkanto.com/wp-content/uploads/2018/12/Policy-Nomination-Remuneration-Evaluation.pdf>.

The Nomination and Remuneration Policy of the Company considers various parameters like the performance of the Company, the current trends in the industry, the experience of the appointee(s), their past performance and other relevant factors for considering the remuneration payable to the Directors, Key Managerial personnel and other employees. The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising of Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

- **Remuneration of Directors:**

- i. **Remuneration to Non-Executive Directors (including Independent Directors)**

The Non-Executive Directors (NEDs) are paid remuneration by way of sitting fees and commission. The NEDs are paid Sitting Fees for each Meeting of the Board or Committee attended by them. The NEDs/Independent Directors do not have any pecuniary relationship or transactions with the Company. The shareholders have at the 40th AGM held on September 30, 2019 approved payment of commission to NEDs of a sum not exceeding 1% per annum per annum of the net profits of the Company calculated in accordance with the provisions of the Act for that particular financial year subject to maximum of ₹ 5 lakhs per NED. The aforesaid Resolution was for financial years commencing from April 1, 2019. Commission of ₹ 5 lakhs per NED for financial year 2022-23 is distributed amongst the NEDs in accordance with the directives given by the Board/NRC. Sitting Fees for attending the Board/Committee Meetings is as under:

Meetings	Fees per Meeting
Board Meeting	₹ 60,000
Audit Committee Meeting	₹ 60,000
Nomination & Remuneration Committee Meeting	₹ 30,000
Stakeholders Relationship Committee Meeting	
Corporate Social Responsibility Committee Meeting	
Risk Management Committee Meeting	
Annual Independent Directors Meeting	

Sitting fees for attending Board Meetings and Audit Committee Meetings was revised from ₹ 40,000 to ₹ 60,000 and for attending other Committee Meetings from ₹ 20,000 to ₹ 30,000 with effect from April 1, 2022.

In respect of the financial year 2022-23, the sitting fees and commission paid to the Non-Executive Directors are as detailed below:

(₹ in lakhs)

Name	Sitting fees paid during the year 2022-2023		Commission for FY 2022-23 paid in June 2023	Total
	Board Meetings	Committee Meetings		
Mr. M. N. Sudhindra Rao	2.40	4.80	5.00	12.20
Mr. Ghanshyam Karkera	2.40	4.50	5.00	11.90
Dr. Vijayanti Ajit Pandit	2.40	1.80	5.00	9.20
Mr. Uma Acharya	2.40	5.10	5.00	12.50

- ii. **Remuneration to Executive Director**

The appointment and remuneration of Executive Directors i.e. Chairman and Managing Director (MD) is governed by the recommendation of the NRC, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between MD and the Company. The remuneration package of MD comprises salary, perquisites, allowances, contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof. Directors had at their Meeting held on August 9, 2022, based on the recommendation of NRC, approved the payment of commission up to 1% of the net profit as per Section 198 to Mr. Pushkar Khurana, Executive Chairman of the Company from FY 2022-23.

Details of Remuneration to the Executive Directors

(₹ in lakhs)

Name	Salary	Perquisites	Commission for FY 2022-23 paid in June 2023	Total
Mr. Puneet Khurana	216.60	42.35	97.05	356.00
Mr. Pushkar Khurana	-	-	97.05	97.05

Remuneration paid to the Executive Directors (Promoters) of the Company is within the limit as specified under Section 197 of the Act and Regulation 17(6)(e) of LODR Regulations.

Service contracts and the notice period are as per the terms of agreement entered into by them with the Company. The remuneration contracts of the executive directors do not have malus or claw back provisions. No severance fee is payable by the Company on termination of these contracts.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE
i. Terms of reference

Stakeholders' Relationship Committee has been constituted as per the provisions of Section 178 of the Act and Regulation 20 of the LODR Regulations.

The terms of reference of the committee are:

- Resolving the grievances of the security holders of the the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

ii. Composition, Name of the Members and Chairperson

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Ms. Uma Acharya	Chairperson	Independent & Non-Executive	1	1
Mr. Ghanshyam Karkera	Member	Independent & Non-Executive	1	1
Mr. Puneet Khurana	Member	Promoter, Managing Director	1	1
Mr. Pushkar Khurana	Member	Promoter, Executive Chairman	1	1

Ms. Uma Acharya attended the last Annual General Meeting of the Company as Chairman of SRC.

iii. Meetings of the Stakeholder's Relationship Committee

During the year under review one meeting of Stakeholder's Relationship Committee was held on February 8, 2023. The Minutes of the SRC Meetings are circulated and noted by the Directors at Board Meetings.

iv. Name, Designation and Address of the Compliance Officer

Mr. Vishal Totla (w.e.f. May 15, 2023)
 Company Secretary & Compliance Officer
 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021.
 Tel.: 91 22 4926 8300, Fax: 91 22 4926 8354.
 Email: investors@ekc.in

Ms. Reena Shah was the Company Secretary & Compliance Officer up to November 23, 2022.

v. Investor Grievance Redressal

The total number of complaints received and replied to the satisfaction of shareholders during FY 2022-23 is as under:

Quarter Ended	Pending from earlier quarter	Received during the quarter	Resolved during the quarter	Pending at end of the quarter
June 2022	Nil	Nil	Nil	Nil
September 2022	Nil	Nil	Nil	Nil
December 2022	Nil	Nil	Nil	Nil
March 2023	Nil	Nil	Nil	Nil
Total	0	0	0	0

There were no requests for transfer and for dematerialization pending for approval as on March 31, 2023. The Secretarial Department in consultation with Link Intime India Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company attend to all the grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Most of the investors' grievances/correspondences are attended within a period of 7 days from the date of receipt of such grievances. The Company maintains continuous interaction with its RTA and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors and takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and email addresses while addressing their queries to facilitate prompt action.

vi. Equity Shares in the Suspense Account

As required under Regulation 34(3) and 53(f) read with Schedule V(F) of the LODR Regulations, 2110 Equity shares belonging to 10 shareholders are lying in the unclaimed securities suspense account as on March 31, 2023. There was no movement in suspense account during the year. The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act and the Rules framed thereunder, the Company has constituted Corporate Social Responsibility [CSR] Committee of Directors. A CSR Policy has been formulated by the Committee, which has been approved by the Board, to undertake CSR projects/activities. The Committee's responsibility is to assist the Board in discharging its social responsibilities by monitoring implementation of the framework of 'Corporate Social Responsibility Policy' and to suggest remedial measures wherever necessary.

i. Terms of reference

- Formulate and recommend to the Board, a CSR Policy to be undertake CSR Activities by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
- Monitor the implementation of the CSR activities undertaken by the Company and review the same from time to time.

ii. Composition, Name of the Members and Chairperson

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

During 2022-23, two Meetings were held on August 9, 2022 and February 8, 2023. The Board of Directors has accepted all the recommendations made by CSR Committee from time to time.

E. RISK MANAGEMENT COMMITTEE

i. Composition

The composition of the Risk Management Committee (RMC) is in conformity with the requirements of LODR Regulations, with all members being Directors of the Company as under:

Name of the Member	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. M. N. Sudhindra Rao	Chairperson	Independent & Non-Executive	3	2
Mr. Puneet Khurana	Member	Promoter, Managing Director	3	3
Dr. Vijayanti Ajit Pandit	Member	Independent & Non-Executive	3	2

ii. Meetings of the Risk Management Committee

During 2022-23 three Meetings of RMC were held on August 9, 2022; February 1, 2023 and February 8, 2023. The quorum of RMC Meetings is two Members or one third of the Members, whichever is greater and the gap between two meetings was not more than 180 days.

iii. The terms of reference of RMC are as follows:

1. Formulation a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability

- (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks;
 - Business continuity plan.
2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Reviewing appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

The Company has formulated a Risk Management Policy to establish an effective and integrated framework for the risk management process. The RMC monitor and oversee implementation of the Risk Management Policy including evaluating the adequacy of risk management systems.

4. GENERALBODYMEETINGS

A. Annual General Meeting

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Day and Time	Venue	Special Resolutions passed
2021-22	September 23, 2022 at 12.00 noon	Through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility Deemed Venue - 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021	Nil
2020-21	September 23, 2021 at 11:30 a.m.	Through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility Deemed Venue - 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021	Nil
2019-20	September 23, 2020 at 04.30 p.m.	Through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") Facility Deemed Venue - 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021	1) Appointment and Payment of Remuneration to Mr. Puneet Khurana (DIN: 00004074) as the Managing Director of the Company for a period of 5 (five) years 2) Re-appointment of Ms. Uma Acharya, (DIN: 07165976), as an Independent Director of the company to hold office for a second term of 5 consecutive years.

B. Postal Ballot

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

5. MEANS OF COMMUNICATION

- Quarterly/half yearly/annual financial results are published in one English daily newspaper '**Business Standard**' and one vernacular language newspaper '**Mumbai Lakshadeep**'. The financial results and the official news releases are also displayed on the Company's website.

- Presentations to institutional investors/ analysts: Presentation to Investors after every financial quarter on the financial performance of the company post declaration of financial results was made to institutional investors / analysts during the year. The Investor Presentation and Transcript of Earnings Conference Call are also displayed on the Company's website.
- **Website:** The Company has a functional website www.everestkanto.com which contains information relating to Company's Management, vision, mission, various policies and corporate sustainability. A separate section 'Investors' provides information to Shareholders on financial results, annual reports, shareholding pattern and announcements submitted to the Stock Exchanges. The Company's Financial

Results and Annual Reports available on the Company's website are in the downloadable form.

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive email-id:** The Company has an exclusive email id – investors@ekc.in dedicated for prompt redressal of shareholders' queries, grievances etc.

6. GENERAL SHAREHOLDER INFORMATION

6.1 Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29200MH1978PLC020434.

6.2 44th Annual General Meeting:

Day, Date and Time:

September 22, 2023 at 4:00 p.m.

Venue: In accordance with the circulars issued by MCA, the Company proposed to convene 44th AGM through video conferencing or other modes, hence the registered office would be the deemed venue for the AGM.

6.3 Financial Year: April 1, 2023 to March 31, 2024

Results for the quarter ending June 30, 2023

On or before August 14, 2023

Results for the quarter ending September 30, 2023

On or before November 14, 2023

6.7 Stock Market Data

Details of high and low price and the number of shares traded during each month in the last financial year on BSE and NSE depicting liquidity of the Company's Equity Shares of ₹ 2 each on the said exchanges are as under:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded
April 2022	240.15	186.85	6,90,530	239.90	186.75	44,71,143
May 2022	197.50	148.85	5,81,487	199.00	148.35	39,34,926
June 2022	208.85	153.75	13,25,466	209.00	156.85	65,15,637
July 2022	195.40	156.00	8,18,427	195.80	160.90	63,08,414
August 2022	186.95	112.95	22,26,538	187.00	133.90	1,99,28,383
September 2022	128.20	105.30	13,25,191	128.40	105.30	92,64,755
October 2022	123.20	106.10	8,41,247	123.05	106.00	54,83,715
November 2022	118.05	90.55	12,03,946	118.20	90.50	69,59,028
December 2022	116.70	92.60	22,54,739	122.00	92.65	1,69,99,637
January 2023	102.60	85.80	16,72,651	102.90	85.65	51,12,555
February 2023	92.35	66.05	28,64,711	92.50	66.00	2,51,40,490
March 2023	95.79	74.70	24,27,633	95.80	74.65	2,30,62,288

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

Results for the quarter ending December 31, 2023

On or before February 14, 2024

Results for the year ending March 31, 2024

On or before May 30, 2024

6.4 Book Closure Period

The Register of Members and the Share Transfer books of the Company will remain closed from September 16, 2023 to September 22, 2023 (both days inclusive), for the purpose of the 44th AGM.

6.5 Dividend Payment Date

The Board has recommended a final dividend of ₹ 0.70 per equity share of ₹ 2 each at its Meeting held on May 29, 2023 for approval of Members for the Financial Year 2022-23. Dividend if declared, will be paid on or after September 27, 2023.

6.6 Listing on Stock Exchanges

Equity Shares

The Equity shares of the Company are listed on following stock exchanges:

BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Scrip Code: 532684	National Stock Exchange of India Limited (NSE), "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol: EKC
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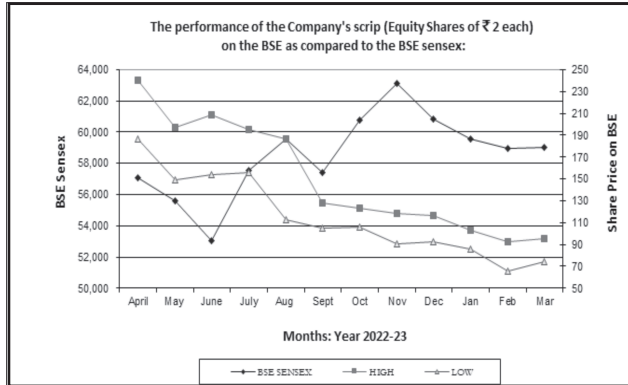
The International Securities Identification Number (ISIN) in respect of the said equity shares is INE184H01027.

Payment of Listing Fee

The Annual listing fees of both the Stock Exchanges as well as Annual Custody fees of the Depositories (CDSL and NSDL) for the Financial Year 2023-24 have been paid by the Company.

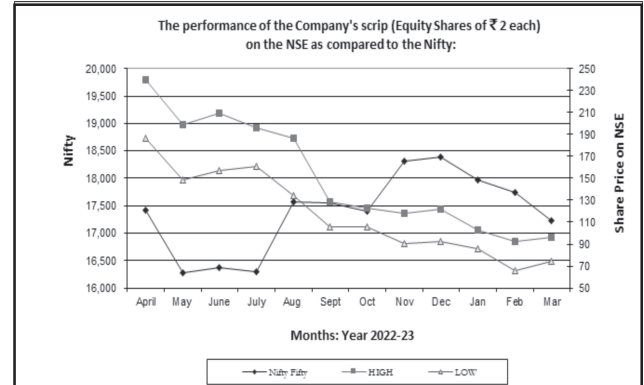
6.8 Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index (SENSEX) is given in the chart below:



Source: BSE website

The performance of the Company's shares relative to the NSE Sensitive Index (Nifty Index) is given in the chart below:



Source: NSE website

Liquidity

Shares of the Company are actively traded on BSE and NSE as seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

6.9 Statement showing Shareholding Pattern as on March 31, 2023

Category of Shareholders	Number of Shares	% of Shareholding
Promoter and Promoter Group	7,56,13,143	67.39
Alternate Investment Funds	1,49,000	0.13
NBFC Registered with RBI	8,200	0.01
Foreign Portfolio Investors Category I	5,54,296	0.49
Foreign Portfolio Investors Category II	1,000	0.00
State Government/Governor	500	0.00
Investor Education and Protection Fund Authority (IEPF)	2,01,319	0.18
Individual shareholders holding nominal share capital up to ₹ 2 Lakhs	2,56,18,150	22.83
Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	30,05,267	2.68
Non-Resident Indians	15,69,813	1.40
Bodies Corporate	26,23,518	2.34
Clearing Members	79,657	0.07
HUF	27,80,939	2.48
Trust	2,880	0.00
TOTAL	11,22,07,682	100.00

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

6.10 Distribution of Shareholding by Size as on March 31, 2023

No. of Shares held	No. of Shareholders	% to No. of Shareholders	No. of Shares	% to No. of Shares
1 - 500	55,146	85.83	64,01,914	5.71
501 - 1000	4,391	6.83	35,29,536	3.14
1001 - 2000	2,331	3.63	35,30,489	3.15
2001 - 3000	858	1.34	21,86,515	1.95
3001 - 4000	414	0.64	14,96,505	1.33
4001 - 5000	257	0.41	12,12,171	1.08
5001 - 10000	450	0.70	32,92,526	2.93
10001 and above	398	0.62	9,05,58,026	80.71
TOTAL	64,245	100.00	11,22,07,682	100.00

6.11 Dematerialization of Shares as on March 31,2023

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2 each	
	Number	% of Total
Dematerialised form		
CDSL	2,21,28,288	19.72
NSDL	9,00,77,789	80.27
Sub – Total	11,22,06,077	99.99
Physical Form	1,605	0.01
Total	11,22,07,682	100.00

6.12 Registrar & Share Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED
 C 101, 247 Park, LBS Marg, Vikhroli West,
 Mumbai 400 083, Maharashtra (India).
 Tel: +91 (22) 4918 6270. Fax: +91 (22) 4918 6060
 Email: rnt.helpdesk@linkintime.co.in
 Web: www.linkintime.co.in

6.13 Share Transfer System

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

6.14 Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2023.

6.15 Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company has adequate risk assessment and minimization system in place. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

6.16 Plant Locations

The Company's plants are located at below mentioned places:

Kandla Special	Plot no. 525 to 542, 618, 619, 627 & 628, Sector - Economic Zone : New Extended Area, Kandla Special Economic Zone, Gandhidham, Kutch 370 230, Gujarat.
Tarapur	N-62, MIDC Industrial Area, Kumbhavali Naka, Tarapur 401 506, Maharashtra.
Aurangabad (No manufacturing activities)	E-22, MIDC Area, Chikalhana, Aurangabad 431 210, Maharashtra.

6.17 Address for Correspondence

Shareholders' correspondence should be addressed to Company's Registrar & Share Transfer Agent at the below mentioned address. Shareholders may also contact Mr. Vishal Totla, Company Secretary, at the registered office of the Company for any assistance at: Tel.: 91 22 4926 8300-01. Email: investors@ekc.in

Link Intime India Private Limited

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

Shareholders holding shares in electronic mode should address their correspondence to the respective Depository Participants.

6.18 List of all credit ratings obtained by the entity along with any revisions there to during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company is not required to obtain any credit ratings for debt instruments, fixed deposit or any proposal for mobilization of funds, whether in India or abroad, as same has not been issued.

Disclosures:

(i) **Policy on materially significant Related Party Transactions**

During the financial year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Refer to Note 47 to the Financial Statements for disclosure of related party transactions.

The Company has formulated policy on dealing with related party transactions. This policy is placed on the Company's website: <https://everestkanto.com/wp-content/uploads/2022/02/Related-Party-Transaction-Policy.pdf>.

(ii) The Company has complied with the requirements of Regulatory Authorities on capital markets; hence there are no non-compliances for which penalty/stricture was imposed by the Stock Exchange(s) or SEBI or any other Statutory Authority on the Company during the last three years.

(iii) The Company has formulated Vigil Mechanism / Whistleblower policy with an aim to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values. This policy is placed on the Company's website: <https://everestkanto.com/wp-content/uploads/2023/08/Vigil-Mechanism-Policy.pdf>.

It is affirmed that no person has been denied direct access to the chairperson of the Audit committee.

- (iv) The Company has adopted policy for determining Material Subsidiary in accordance with Regulation 24 of the LODR Regulations the said policy is placed on the Company's website <https://everestkanto.com/wp-content/uploads/2018/12/Vigil-Mechanism-Policy.pdf>. The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. A report on significant developments of the unlisted subsidiary companies is periodically placed before the Board of Directors of the Company. EKC International FZE in Dubai, UAE is material subsidiary of the Company. The Company has appointed Mr. Ghanshyam Karkera, Independent Director on the Board of EKC International FZE in Dubai, UAE.
- (v) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the LODR Regulations**
- During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the LODR Regulations.
- (vi) Based on the declaration / confirmation made by the Directors, the Company has received a certificate from M/s. Aashish K. Bhatt & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.
- (vii) There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.
- (viii) The total fees for all services paid on a consolidated basis by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part for the financial year 2022-23 is ₹ 70.64 Lakhs.
- (ix) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Particulars	No. of Complaints
a) Number of complaints filed during the financial year	Nil
b) Number of complaints disposed of during the financial year	Nil
c) Number of complaints pending as on end of the financial year	Nil

- (x) Pursuant to the requirements of Regulation 34 (3) read with Schedule V to the LODR Regulations, the details of Loans/Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.
- (xi) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed – Not Applicable.

7. Compliance with the Discretionary Requirements under the LODR Regulations

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements stipulated in the LODR Regulations. The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the LODR Regulations.

In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- The Company's financial statements are unqualified.
- The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- The Company has appointed separate persons to the post of Chairman and Managing Director. The company does not have Chief Executive Officer.

8. CEO and CFO Certification

As the Company does not have CEO, the Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of the LODR Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of LODR Regulations.

9. Certificate on Corporate Governance

A Certificate from Practicing Company Secretaries, M/s. Aashish K. Bhatt & Associates, regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V part E of LODR Regulations, is attached to the Directors' Report forming part of the Annual Report.

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

11. Policy on Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

The Board has appointed the Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Company's Code, *inter alia*, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of Unpublished Price Sensitive Information in relation to the Company during certain prohibited periods.

12. Details of the Director seeking re-appointment at the forthcoming Annual General Meeting:

- Mr. Pushkar Khurana, who was appointed as a director liable to retire by rotation under the provisions of the Act being eligible, has offered himself for re-appointment.
- The Members had at the 40th AGM held on September 30, 2019 appointed Mr. Ghanshyam Karkera (DIN: 00001829) as an Independent Director of the Company to hold office for five consecutive years from October 30, 2018 up to October 29, 2023. Pursuant to the provisions of the Act and based on the recommendation of NRC, Resolution proposing re-appointment of Mr. Ghanshyam Karkera as Independent Director for a second term of five consecutive years from October 30, 2023 up to October 29, 2028 forms part of the Notice of the 44th AGM.

13. The Company has complied with and has made adequate disclosures as required under Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the LODR Regulations.

14. Unclaimed Dividends:

Pursuant to Section 125 of the Act, the Company has transferred the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Company has also transferred the Equity Shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more to the IEPF Authority. The concerned shareholders may note that the shares so transferred to IEPF Account, including all benefits accruing on such shares, if any, can be claimed by them only from IEPF Authority by following the prescribed procedure. **Mr. Sanjiv Kapur, Chief Financial Officer has been appointed as 'Nodal Officer' under the provisions of IEPF.**

15. Remittance of Dividend through NACH / DCF

Members holding shares in physical form, desirous of receiving dividend by direct electronic deposit through National Automated Clearing House (NACH)/Direct Credit Facility (DCF) arrangements with the Banker, to their bank accounts may authorise the Company by giving details of their NACH mandate. For more details, kindly write to the Company's RTA – Link Intime India Private Limited.

16. Bank details for Electronic Shareholding

Members may please note that the details of bank accounts provided by the respective Members while opening Accounts with Depository Participants (DPs), are used by the Company for ECS/printing on dividend warrants for remittance of dividend. However, remittance of dividend through ECS/NECS has been replaced by NACH. In order to facilitate the Company to remit the dividend amount through NACH, please furnish your new bank account number allotted to you by your bank to your DPs, along with photocopy of cheque pertaining to your bank account.

17. Nomination Facility

Shareholders should register their nominations in Form SH-13 in case of physical shares with the Company's RTA. In case of dematerialized shares, nomination should be registered by the shareholders with their DP. Nomination helps the nominees to get the shares transmitted in their favour in a smooth manner without much documentation/legal requirements.

18. Receipt of Balance Sheet / other documents through Electronic mode

As servicing of documents to shareholders, including Notice of Annual General Meeting, Balance Sheet, Statement of Profit and Loss, etc. is permitted through electronic mail, the Company will send the Annual Report and other documents in electronic form to those shareholders whose e-mail address are registered with the Company's RTA – Link Intime India Private Limited or made available by the Depositories.

DECLARATION BY THE MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT

Code of Conduct

The Company has adopted the Code of Conduct for Directors and senior management personnel. The Code has been circulated to all the members of Board and senior management personnel and the same has been posted on the Company's website. The Board and senior management personnel have affirmed their compliance with the Code and a declaration signed by the Managing Director of the Company is given below:

"It is hereby declared that the Company has obtained from all the Board and senior management personnel affirmation that they have complied with the Code of Conduct for the Directors and senior management of the Company for the year 2022-23".

For and on behalf of the Board
Everest Kanto Cylinder Limited

Puneet Khurana
Managing Director
DIN: 00004074

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Everest Kanto Cylinder Limited,
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400021.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Kanto Cylinder Limited having CIN L29200MH1978PLC020434 and having registered office 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai – 400021. (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Ghanshyam Vithaldas Karkera	00001829	30.10.2018
2.	Mr. Puneet Premkumar Khurana	00004074	14.11.2019
3.	Mr. Pushkar Premkumar Khurana	00040489	12.09.1994
4.	Mr. Maganti Narayanarao Sudhindra	01820347	03.06.2019
5.	Ms. Vaijayanti Ajit Pandit	06742237	30.03.2020
6.	Ms. Uma Achyut Acharya	07165976	26.05.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Aashish K. Bhatt
Proprietor

Place: Mumbai
Date: 10.08.2023

Membership No.: 19639
UDIN: A019639E00077792

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Everest Kanto Cylinder Limited

I have examined the compliance of Corporate Governance by Everest Kanto Cylinder Limited (‘the Company’) for the year ended March 31, 2023, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) as referred to in Regulation 15(2) of the SEBI Listing Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the management, I certify that the Company has

complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

Aashish K. Bhatt
Proprietor

Place: Mumbai
Date: 10.08.2023

ACS No.: 19639, COP No.: 7023
UDIN: A019639E000777836

INDEPENDENT AUDITOR’S REPORT

**To the Members of Everest Kanto Cylinder Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

1. We have audited the accompanying standalone financial statements of **Everest Kanto Cylinder Limited ('the Company')**, which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverable value of idle property, plant and equipment and capital work-in-progress</p> <p>Refer notes 2 and 3 to the accompanying standalone financial statements.</p> <p>As at 31 March 2023, the net carrying amount of certain idle property, plant and equipment (PPE) and capital work-in-progress is ₹ 1,806.91 lakhs and ₹ 307.34 lakhs, respectively.</p> <p>The said assets have remained idle for a considerable period due to demand contraction for certain products. Therefore, management has considered it to be an indicator of possible impairment in the carrying value of these assets.</p> <p>Accordingly, the management, with the help of an independent valuer, has estimated the recoverable amount of the aforesaid idle property, plant and equipment and capital work-in-progress using 'Depreciated Replacement cost valuation method', under the cost approach, which is a complex exercise, and involves the use of significant estimates and assumptions that are dependent on expected future market conditions.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment and around valuation of the property, plant and equipment and capital work-in progress to determine their recoverable values; • Assessed the appropriateness of methodology and valuation method used by the management's valuation specialist to estimate the recoverable value of the property, plant and equipment and capital work-in-progress using expertise of an auditor's valuation specialist; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management; • Assessed the reasonableness of estimates including estimation of expected useful lives of property, plant and equipment and key assumptions including salvage value and cost of disposal used by the management's valuation

As per assessment done by the management, the carrying value of the said PPE and capital work-in-progress was impaired by ₹ 237.91 lakhs and ₹ 50.93 lakhs and recognised in the accompanying standalone financial statements in accordance with Ind AS 36, Impairment of assets, as disclosed in Note 2 and 3.

Considering the materiality of the amounts involved, the significant judgement required in estimating the quantum of impairment in the value of the said property, plant and equipment and capital work-in-progress, and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year's audit.

specialist in estimating the recoverable value of property, plant and equipment and capital work-in-progress and performed sensitivity analysis on such key assumptions using the expertise of auditor's valuation specialist;

- Tested the arithmetical calculations in the management's computation; and
- Evaluated the adequacy of disclosures in respect of impairment of the said property, plant and equipment and capital work-in-progress in the standalone financial statements.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and

detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) The standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company, as detailed in note 47 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 57(vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 57(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - (v) The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 45(iii) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

UDIN: 23043334BGSDXN4961

Place: Mumbai
Date: 29 May 2023

Annexure I referred to in Paragraph 16 of the Independent Auditor’s Report of even date to the members of Everest Kanto Cylinder Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, right of use assets, and investment property have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is a lessee) disclosed in note 2 and 4 to the standalone financial statements are held in the name of the Company. For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following cases:

Description of property	Right of Use Asset Value	Location	Details of Lessor	Period held	Reason for non-execution of lease agreement
Land	₹ 111.42 lakhs	Maharashtra	Maharashtra Industrial Development Corporation	Since 1989 & 2003	Combined amalgamation of plots are pending

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties and goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared

to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

- (b) The Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

(₹ in lakhs)

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
SBI Bank, ICICI Bank, HDFC Bank	SBI Bank – ₹ 6,900 lakhs ICICI Bank- ₹ 1,500 lakhs HDFC Bank- ₹ 4,000 lakhs	Inventory	June 2022	19,586.27	20,930.14	1343.87
			September 2022	29,687.47	28,426.01	(1,261.46)
			December 2022	31,369.83	30,357.90	(1,011.93)
			March 2023	25,209.04	25,490.79	281.75

- (iii) (a) The Company has not made any investment, provided any guarantee or given any security during the year. However, the Company has provided loan to subsidiary during the year as per details given below:

Particulars	Loans (₹ in lakhs)
Aggregate amount provided/granted during the year: - Subsidiary	6
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiary	6

- (b) The Company has not made any investment, provided any guarantee or given any security during the year. However, the Company has granted loan to one entity, amounting to ₹ 6 lakhs (year-end balance ₹ 6 lakhs)

and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.
- (d) In the absence of stipulated schedule of repayment of principal in respect of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days.
- (e) In respect of loan granted by the Company, the schedule of repayment of principal has not been stipulated. Accordingly, we are unable to comment as to whether the aforesaid loan has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans / advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has granted loan without specifying any terms or period of repayment as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans; - Agreement does not specify any terms or period of repayment	Nil	Nil	₹ 6 lakhs
Total	Nil	Nil	₹ 6 lakhs
Percentage of loans/ advances in nature of loan to the total loans	Nil	Nil	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Commercial Tax	Value Added Tax	15.85	8.68	F.Y. 2009-10	Joint Commissioner of Commercial tax (Appeal)
Central Excise Act, 1944	Excise Duty	377.25	287.99	F.Y. 2010-11	CESTAT, Ahmedabad
The Income Tax Act 1961	Income Tax	572.73	-	AY 2009-10	Supreme Court of India
		120.96	-	AY 2011-12	Bombay High Court
		470.96	94.19	AY 2017-18	Commissioner of Income Tax (Appeals)
		141.04	28.20	AY 2018-19	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company has transferred unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

UDIN: 23043334BGSDXN4961

Place: Mumbai
Date: 29 May 2023

Annexure II to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited on the standalone financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **Everest Kanto Cylinder Limited** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the

Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

UDIN: 23043334BGSDXN4961

Place: Mumbai
Date: 29 May 2023

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

	Note No.	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
I. ASSETS			
1 Non-current assets			
Property, plant and equipment	2	20,624.63	18,434.73
Capital work-in-progress	3	5,168.56	2,986.58
Investment property	4	2,346.01	1,094.59
Intangible assets	5	44.34	31.69
Financial assets			
Investments	6	2,518.57	2,507.08
Trade receivables	7	400.59	1,080.01
Other financial assets	8	121.25	1,201.74
Non-Current tax assets (net)	9	-	592.41
Other non-current assets	10	1,674.89	3,978.91
Total non-current assets		32,898.84	31,907.74
2 Current assets			
Inventories	11	28,478.77	20,209.53
Financial assets			
Investments	12	-	1,503.77
Trade receivables	13	10,256.69	19,451.93
Cash and cash equivalents	14	1,553.49	2,181.93
Bank balances other than cash and cash equivalents	15	1,256.32	1,119.99
Loans	16	88.98	68.18
Other financial assets	17	739.85	317.33
Other current assets	18	5,013.36	6,992.86
Total current assets		47,387.46	51,845.52
Assets classified as held for sale	19	1,184.13	1,082.30
TOTAL ASSETS		81,470.43	84,835.56
II. EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	20	2,244.15	2,244.15
Other equity	21	63,636.10	57,189.06
Total equity		65,880.25	59,433.21
2 Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	157.34	42.79
Lease liabilities	23	1,076.67	36.33
Other financial liabilities	24	35.19	25.05
Deferred tax liabilities (net)	25	721.04	1,290.90
Provisions	26	295.20	307.78
Total non-current liabilities		2,285.44	1,702.85
Current liabilities			
Financial liabilities			
Borrowings	27	4,840.12	8,650.86
Lease liabilities	28	126.58	130.81
Trade payables	29		
Total outstanding dues of micro enterprises and small enterprises		146.62	158.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,962.90	6,981.71
Other financial liabilities	30	1,234.84	3,306.21
Other current liabilities	31	3,697.29	4,038.28
Provisions	32	81.42	433.37
Current tax liabilities (net)	9	214.97	-
Total current liabilities		13,304.74	23,699.50
TOTAL EQUITY AND LIABILITIES		81,470.43	84,835.56
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these standalone financial statements
This is the Balance Sheet referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013
Murad D Daruwalla
Partner
Membership No: 043334

For and on behalf of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 29 May 2023
Sanjiv Kapur
Chief Financial Officer

Ghanshyam Karkera
Director
DIN: 00001829
Place : Mumbai
Date : 29 May 2023
Vishal Totla
Company Secretary
Membership No: A26757
Place : Mumbai
Date : 29 May 2023

Place : Mumbai
Date : 29 May 2023

Place : Mumbai
Date : 29 May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Note No.	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
Revenue from operations	33	78,965.46	126,781.61
Other income	34	387.12	1,065.48
Total Income		79,352.58	127,847.09
Expenses:			
Cost of materials consumed	35	48,793.55	64,857.47
Purchases of stock-in-trade	36	2,372.41	5,836.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	37	(3,374.45)	(1,368.64)
Employee benefits expense	38	3,210.01	3,139.47
Finance costs	39	819.63	841.13
Depreciation and amortisation	2,4 & 5	2,229.11	1,941.74
Other expenses	40	17,204.46	19,222.97
Total Expenses		71,254.72	94,470.91
Profit before foreign exchange variation gain, exceptional items and tax		8,097.86	33,376.18
Foreign exchange variation gain		746.03	672.30
Profit before exceptional items and tax		8,843.89	34,048.48
Exceptional items gain/ (loss) (net)	41	239.76	(543.71)
Profit before tax		9,083.65	33,504.77
Tax expense / (credit)	42		
Current tax		2,458.42	7,173.99
Deferred tax		(579.26)	3,513.71
		1,879.16	10,687.70
Profit after tax		7,204.49	22,817.07
Other comprehensive income / (loss) (net of tax)			
Items that will not be reclassified to profit or loss			
i) Remeasurements of defined employee benefit plans		25.92	(16.50)
ii) Equity instruments at fair value through other comprehensive income		11.49	6.18
iii) Income tax relating to above items		(9.41)	4.41
Total other comprehensive income/ (loss) (net of tax)		28.00	(5.91)
Total comprehensive income for the year (net of tax)		7,232.49	22,811.16
Earnings per equity share	51		
Basic and diluted (in ₹)		6.42	20.34
Face value per share (in ₹)		2.00	2.00
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these standalone financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D Daruwalla

Partner

Membership No: 043334

Place : Mumbai

Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
A. Cash flow from operating activities		
Profit before tax	9,083.65	33,504.77
Adjustments for :		
Excess provision written back	(0.23)	(56.02)
Bad debts written off	450.73	240.42
Liabilities no longer required written back	(58.55)	(407.48)
Provision for doubtful debts	423.62	43.66
Excess provision written back of inventories	(15.91)	(114.44)
Unrealised foreign exchange loss	31.65	12.52
Depreciation and amortisation	2,229.11	1,941.74
Impairment of property, plant and equipment and capital work-in-progress	288.84	543.71
Loss on sale of property, plant and equipment (net)	247.23	113.16
Reversal of Provision for contingencies	(103.63)	-
Lease rent income	(123.09)	(100.19)
Gain on redemption of investment in mutual fund	-	(45.62)
Interest income	(118.19)	(103.77)
Finance costs	819.63	841.13
Profit on dissolution of subsidiary	(424.97)	-
Operating profit before working capital changes	12,729.89	36,413.59
Adjustment for :		
Increase in inventories	(8,253.33)	(7,816.11)
Decrease / (Increase) in trade and other receivables	11,178.35	(9,522.49)
Decrease in trade and other payables	(4,813.58)	(3,877.92)
Operating profit after working capital changes	10,841.33	15,197.07
Direct taxes paid (net of refunds)	(1,651.03)	(7,689.07)
Net cash generated from operating activities (A)	9,190.30	7,508.00
B. Cash flow from investing activities		
Inflow:		
Interest income received	90.64	89.60
Gain on redemption of investment in mutual fund	-	45.62
Sale proceeds of property, plant and equipment	81.77	113.61
Lease rent income	123.09	100.19
Fixed deposits matured (net)	233.09	-
	528.59	349.02
Outflow:		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	4,848.74	6,610.95
Fixed deposits placed (net)	-	37.11
	4,848.74	6,648.06
Net cash used in investing activities (B)	(4,320.15)	(6,299.04)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
C. Cash flow from financing activities		
Inflow:		
Proceeds from non-current borrowings (net)	64.66	-
	<u>64.66</u>	<u>-</u>
Outflow:		
Repayment of non-current borrowings	-	2,250.38
Repayment of current borrowings (net)	3,760.85	549.31
Dividend Paid	785.45	336.67
Finance costs paid	763.47	945.12
Cash payments for interest portion of lease liabilities	56.16	32.00
Cash payments for principal portion in financing activities	197.32	214.38
	<u>5,563.25</u>	<u>4,327.86</u>
Net cash (used in) financing activities (C)	<u>(5,498.59)</u>	<u>(4,327.86)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>(628.44)</u>	<u>(3,118.90)</u>
Add: Cash and cash equivalents at the beginning of the year	2,181.93	5,300.83
Cash and cash equivalents at the end of the year [Refer note 14]	<u>1,553.49</u>	<u>2,181.93</u>
Cash and cash equivalents comprises of the following:		
Cash on hand	22.80	21.54
EEFC accounts	-	162.93
Balances with banks	1,530.69	1,997.46
Notes :		
(i) Figures in brackets represent cash outflow.		
(ii) The above Standalone Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows.		

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D Daruwalla

Partner

Membership No: 043334

Place : Mumbai

Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023
Equity share capital

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2021		112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2022	20	112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2023		112,207,682	2,244.15

Other equity

(₹ in lakhs)

	Reserves and surplus				Total
	Securities premium	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	
Opening balance as at 01 April 2021	24,789.64	7,491.00	2,158.77	275.11	34,714.52
Transactions during the year					
Net profit for the year	-	-	22,817.07	-	22,817.07
Dividend for the Year 2020-21	-	-	(336.62)	-	(336.62)
Other comprehensive income/ (loss) for the year, net of tax	-	-	(12.09)	6.18	(5.91)
Closing balance as at 31 March 2022	24,789.64	7,491.00	24,627.13	281.29	57,189.06
Transactions during the year					
Net profit for the year	-	-	7,204.49	-	7,204.49
Dividend for the Year 2021-22	-	-	(785.45)	-	(785.45)
Other comprehensive income for the year, net of tax	-	-	19.40	8.60	28.00
Closing balance as at 31 March 2023	24,789.64	7,491.00	31,065.57	289.89	63,636.10

The accompanying notes are an integral part of these standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date

 For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D Daruwalla

Partner

Membership No: 043334

Place : Mumbai

Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1:

Significant accounting policies and other explanatory information

(a) Company information

Everest Kanto Cylinder Limited ('the Company') is a listed company domiciled and incorporated in India in 1978. The registered and corporate office of the Company is situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai – 400 021, Maharashtra, India. The Company is engaged in the manufacture of high-pressure seamless gas cylinders and other cylinders, equipments, appliances and tanks with their parts and accessories, used for containing and storage of natural gas and other gases, liquids and air. Further, the Company is engaged in the trading of fire extinguishment and related equipment and castor oil. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

(b) Basis of preparation

(i) Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

(ii) Historical cost convention

The standalone financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale – measured at lower of carrying amount or fair value less cost to sell; and
- 3) Defined benefit plans - plan assets measured at fair value.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to two decimals of the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

(c) Use of estimates and judgements

The estimates and judgements used in the preparation of the standalone financial statements are continuously

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

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

(d) Investment in subsidiaries

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

(e) Foreign Currency Transactions and Translations

(i) Functional and presentation currency

The standalone financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the standalone statement of profit and loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the standalone statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated thereafter.

(f) Revenue Recognition

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Company in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, etc., if any.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

- (ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period upto 45-60 days from the shipment or delivery of goods as the case may be. Consideration are determined based on its most likely amount.

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

Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

Trade Receivable:

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(g) Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

(h) Income tax

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is accounted in full, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

liabilities and when the deferred tax balances relate to the same taxation authority.

Tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the standalone statement of profit and loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

(i) Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its fair value less costs of disposal and its value in use. Impairment loss is recognised in the standalone statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

(j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the

lease and (iii) the Company has the right to direct the use of the asset.

As a lessee

At lease commencement date, the Company recognises a right-of-use asset and lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date of lease, the Company measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or standalone statement of profit and loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, 'Leases'. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in standalone statement of profit and loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

As a lessor

Leases for which the Company is a lessor, classified as finance or operating lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(k) Cash and cash equivalents

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(l) Inventories

- (i) Raw Materials and components, Work-in-progress, Finished goods and Stock-in-trade are valued at lower of cost and net realisable value.
- (ii) Goods in transit are valued at cost to date.
- (iii) 'Cost' includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating output. Cost formulae used is 'First In First Out'.
- (iv) Inter-unit transfers are valued either at works or factory costs of the transferor unit.
- (v) Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts) which are used in operating machines or consumed as indirect materials in the manufacturing process. Stores and spares, excluding certain gases are charged to standalone statement of profit and loss during the year in which they are purchased.

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

(m) Investments and financial assets
Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in standalone statement of profit and loss or Other comprehensive income / (loss). For investments in equity instruments, it will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the standalone statement of profit and loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interests are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through statement of Profit and Loss. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company measures its equity investment other than in subsidiaries at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognised only when.

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the standalone balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(o) Property, plant and equipment (including capital work-in-progress)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the standalone statement of profit and loss during the year in which they are incurred.

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

standalone statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at historical cost. Capital Work-in-progress includes expenditure incurred till the assets are put into intended use. Capital Work in-Progress are measured at cost less accumulated impairment losses, if any.

Depreciation:

(i) Depreciation is provided on the straight line method as per the useful life prescribed in Schedule II to the Act, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the assets have been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and equipment:	8 to 30 years
Gas cylinders:	25 years

Significant components of each of the individual assets are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset.

(ii) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or upto the date of such sale/disposal as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(p) Intangible Assets

Intangible assets are stated at cost net of accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

economic life. The amortisation expense on intangible assets with finite life is recognised in the standalone statement of profit and loss under the head Depreciation and amortization expense.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with carrying value of all its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(q) Investment properties

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

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

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

Non-Factory Building	60 years
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Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

(r) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently, all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the standalone balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in standalone statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Borrowing costs

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

(t) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in the standalone financial statements. However, it is recognised only when an inflow of economic benefits is probable.

(u) Employee Benefits

A) Short term employee benefits: All employee benefits which are due within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the year in which the employee renders the related service.

B) Post-employment benefits

(i) Defined Contribution Plans: Company's contribution to the state governed provident fund scheme, Employees State Insurance corporation (ESIC), etc. are recognised during the year in which the related service is rendered.

(ii) Gratuity: The Company has computed its liability towards future payments of gratuity to employees,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

on actuarial valuation basis, using Projected Unit Credit Method and the charge for current year is debited to the standalone statement of profit and loss. Actuarial gains and losses arising on the measurement/remeasurement of defined benefit obligation is charged/ credited to Other comprehensive income / (loss). In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

- (iii) **Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Employees generally have an unconditional right to avail the accumulated leaves, however there are certain circumstances which also gives a right to the Company to defer the employee's leave (for example: Company's right to postpone/ deny the leave, restriction to avail leave in the next year for a maximum number of days etc.). Thus, for the bifurcation of provision between current and non-current, actuarial services are availed.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the standalone statement of profit and loss in the year in which they arise.

- C) **Termination Benefits:** These are recognised as an expense in the standalone statement of profit and loss of the year in which they are incurred.

(v) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income / (loss)] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income / (loss)) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(w) **Asset classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

An impairment loss is recognised during initial recognition or subsequent written down of the assets to the fair value less cost to sell of an asset. A gain is recognised for any subsequent increase in the fair value less cost to sell of an asset but not in excess of cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets held for sale are presented separately from the other assets in the standalone balance sheet.

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

(x) **Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(y) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) **Exceptional items**

When items of income and expense within standalone statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the year, the nature and amount of such material items are disclosed separately as exceptional items.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(aa) Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend IND AS 12-Income Taxes and IND AS 1-Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have any material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(ab) Critical estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires estimates and assumptions to be made by the management of the Company that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the year in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimated useful life of property, plant and equipment, intangible assets, and investment property:

The Company reviews the useful lives of property, plant and equipment, Investment properties and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortization expense in future periods.

(ii) Impairment of carrying value of property, plant and equipment, capital work-in-progress, intangible assets and investment property:

The recoverable amount of property plant and equipment, capital work-in-progress is based on estimates and assumptions regarding the expected Depreciated Replacement Cost (DRC) method under Cost Approach. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

(iii) Fair value less cost to sell for assets classified as held for sale:

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

(iv) Estimation of current tax expenses and recognition of deferred tax assets:

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

(v) Probable outcome of matters included under contingent liabilities:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(vi) Provision for doubtful debts:

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

(vii) Estimation of Defined benefit obligation:

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty

(viii) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2 Property, plant and equipment (PPE)

											Right of Use Assets		(₹ in lakhs)
	Freehold land	Buildings [Refer notes (ii) and (vi) below]	Plant and equipment [Refer note (iv) and (v) below]	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equipment	Com-puters	Gas Cylinders	Electrical Install-ations	Leasehold land [Refer note (i) below]	Build-ings	Total	
Gross carrying amount	232.60	8,378.28	30,411.21	322.26	518.88	253.64	841.13	542.68	648.97	266.97	544.86	42,961.48	
Balance at 1 April 2021													
Additions	568.59	35.38	3,347.75	94.99	91.40	24.27	20.96	-	29.82	-	-	4,213.16	
Disposals	-	-	1,530.19	-	59.25	-	1.74	261.32	-	-	5.11	1,857.61	
Balance at 31 March 2022	801.19	8,413.66	32,228.77	417.25	551.03	277.91	860.35	281.36	678.79	266.97	539.75	45,317.03	
Additions	82.52	138.24	4,561.56	47.53	194.55	15.20	19.75	-	40.83	-	1,233.43	6,333.61	
Disposals	-	26.23	1,808.96	30.63	152.65	74.10	17.16	-	-	-	-	2,109.73	
Asset classified as investment property [Refer note (v), below note (4)]	-	1,383.68	-	-	-	-	-	-	-	-	-	1,383.68	
Asset classified as held for sale [Refer note (v), below note (19)]	-	-	126.55	-	-	-	-	252.02	-	-	-	378.57	
Balance at 31 March 2023	883.71	7,141.99	34,854.82	434.15	592.93	219.01	862.94	29.34	719.62	266.97	1,773.18	47,778.66	
Accumulated depreciation / amortisation													
Balance as at 1 April 2021	-	2,669.90	20,749.74	249.59	195.66	211.86	774.31	338.42	499.17	170.35	289.89	26,148.89	
Depreciation / amortisation charge for the year	-	190.32	1,446.11	13.89	61.51	13.24	13.05	6.53	23.00	1.29	149.46	1,918.40	
Impairment [Refer note (iv) below]	-	-	402.88	-	-	-	-	-	-	-	-	402.88	
On disposals	-	-	1,365.70	-	50.31	-	1.66	170.20	-	-	-	1,587.87	
Balance as at 31 March 2022	-	2,860.22	21,233.03	263.48	206.86	225.10	785.70	174.75	522.17	171.64	439.35	26,882.30	
Depreciation / amortisation charge for the year	-	192.60	1,677.19	21.22	66.20	14.06	18.37	6.30	26.50	1.29	163.33	2,187.06	
Impairment [Refer note (iv) below]	-	-	237.91	-	-	-	-	-	-	-	-	237.91	
On disposals	-	5.60	1,593.09	29.10	65.41	71.26	16.30	-	-	-	-	1,780.76	
Asset classified as investment property [Refer note (v), below note (4)]	-	95.75	-	-	-	-	-	-	-	-	-	95.75	
Asset classified as held for sale [Refer note (v), below note (19)]	-	-	112.84	-	-	-	-	163.89	-	-	-	276.73	
Balance as at 31 March 2023	-	2,951.47	21,442.20	255.60	207.65	167.90	787.77	17.16	548.67	172.93	602.68	27,154.03	
Net carrying amount													
As at 31 March 2022	801.19	5,553.44	10,995.74	153.77	344.17	52.81	74.65	106.61	156.62	95.33	100.40	18,434.73	
As at 31 March 2023	883.71	4,190.52	13,412.62	178.55	385.28	51.11	75.17	12.18	170.95	94.04	1,170.50	20,624.63	

Notes :

- (i) Execution of lease deed is pending for two land parcels acquired at Tarapur Plant having gross carrying value ₹ 111.42 lakhs (31 March 2022: ₹ 111.42 lakhs).
- (ii) Includes ₹ 750 (31 March 2022: ₹ 750) paid for shares acquired in co-operative societies.
- (iii) As at 31 March 2023, certain vehicle was in the personal name of directors having gross carrying amount of ₹ 40 lakhs (31 March 2022: ₹ 40 lakhs) and net carrying amount of ₹ 2 lakhs (31 March 2022: ₹ 6.72 lakhs).
- (iv) The assets of the Company include certain plant and equipment (including capital work-in-progress) having net carrying amount of ₹ 2,114.25 lakhs (includes CWIP of ₹ 307.34 lakhs as at 31 March 2023 (31 March 2022: ₹ 1,073.50 lakhs)) as at 31 March 2023 (31 March 2022: ₹ 4,258.57 lakhs), which have remained idle for a considerable period due to contraction in demand. Accordingly, management has performed impairment test on these assets and have recorded an impairment provision of ₹ 288.84 lakhs (includes impairment on CWIP of ₹ 50.93 lakhs for the current year) (31 March 2022: ₹ 402.88 lakhs (including impairment on CWIP of ₹ 140.83 lakhs)). Refer note 3 for CWIP.
Recoverable amount of the asset is derived by reducing cost of disposal from fair value. The aforesaid impairment loss is disclosed under exceptional items (Refer note 41).
Details of valuation:
 - a) Level of the fair value hierarchy – Level 3.
 - b) Description of the valuation technique – Depreciated Replacement Cost (DRC) method under Cost Approach.
 - c) Key assumptions – Salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.
- (v) During the year ended 31 March 2023, certain plant & machines (including CNG cascades) having written down value of ₹ 101.84 lakhs (₹ 40.77 lakhs as at 31 March 2022) has been additionally classified as 'Assets classified as held for sale', pursuant to the decision of the Company to dispose off the same.
- (vi) During the current year, buildings having net carrying amount as at 31 March 2023 of ₹ 1,287.93 lakhs fulfills the criteria given in Ind AS 40, Investment Property, and accordingly, have been transferred to Investment Property.
- (vii) Disclosure of contractual commitments for the acquisition of property, plant and equipment [Refer note 47(B)(i)].
- (viii) Information on property, plant and equipment pledged as security by the Company [Refer note 52].

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
3 Capital work in progress (CWIP) (₹ in lakhs)

	Total
Gross carrying amount	
Balance as at 1 April 2021	3,457.16
Additions / Transfer of assets [Refer note (i) below]	785.00
Capitalised during the year	1,114.75
Impairment [Refer note 2 (iv)]	140.83
Balance as at 31 March 2022	2,986.58
Additions / Transfer of assets	6,740.89
Capitalised during the year	4,507.98
Impairment [Refer note 2 (iv)]	50.93
Balance as at 31 March 2023	5,168.56
Net carrying amount	
As at 31 March 2022	2,986.58
As at 31 March 2023	5,168.56

Capital work in progress - ageing schedule
As at 31 March 2023

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	*More than 3 years	
Projects in progress	2,397.33	618.77	1,270.74	881.72	5,168.56
Projects temporarily suspended	-	-	-	-	-

* The Company shall utilise these plant and machineries in future projects.

As at 31 March 2022

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	*More than 3 years	
Projects in progress	780.56	1,273.35	-	932.67	2,986.58
Projects temporarily suspended	-	-	-	-	-

* The Company shall utilise these plant and machineries in future projects.

Note :

- (i) During the year ended 31 March 2022, factory building and certain other CWIP at Aurangabad, amounting to ₹ 767.68 lakhs, has been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to put-up the same for sale.

4 Investment property (₹ in lakhs)

	Buildings	Total
Gross carrying amount		
Balance as at 1 April 2021	1,116.08	1,116.08
Additions	-	-
Disposals	-	-
Balance as at 31 March 2022	1,116.08	1,116.08
Transfer from PPE (Refer note 2(vi))	1,287.93	1,287.93
Disposals	-	-
Balance as at 31 March 2023	2,404.01	2,404.01
Accumulated depreciation		
Balance as at 1 April 2021	1.55	1.55
Depreciation charge for the year	19.94	19.94
On disposals	-	-

	Buildings	Total
Balance as at 31 March 2022	21.49	21.49
Depreciation charge for the year	36.51	36.51
On disposals	-	-
Balance as at 31 March 2023	58.00	58.00
Net carrying amount		
As at 31 March 2022	1,094.59	1,094.59
As at 31 March 2023	2,346.01	2,346.01

Fair value

As at 31 March 2022	1,552.50
As at 31 March 2023	2,722.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income derived from investment property [Refer note 34]	123.09	100.19
Direct operating expenses (including repairs and maintenance) for generating rental income	-	-
Income arising from investment property before depreciation	123.09	100.19
Depreciation charge for the year	36.51	19.94
Income arising from investment property (Net)	86.58	80.25

Premises given on operating lease:

For current year, the Company has two non-factory building premises on operating lease. These lease arrangements are for a period of 5 and 9 years and is a cancellable lease. The lease is renewable for further period on mutually agreeable terms.

For previous year, the Company had given single non-factory building premises on operating lease for term of 9 years and was cancellable lease.

The total future minimum lease rentals receivable at the balance sheet date is as under:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
For a period not later than one year	133.12	102.69
For a period later than one year and not later than five years	553.84	440.83
For a period later than five years	90.92	436.24

Estimation of fair value

The Company obtains independent valuations atleast annually. The fair valuation of the investment property have been determined by registered independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, using 'Sales Comparison Method' under Market Approach using composite rate of commercial offices by comparing the investment property with similar properties that have recently been sold near the location of investment property. Comparable properties are selected for similarity to the subject property by considering attributes like age, size, shape, quality of construction, building features, condition, design, etc. The fair value measurement is categorised as level 3 fair value hierarchy.

5 Intangible assets

(₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 2021	263.58	263.58
Additions	8.93	8.93
Disposals	-	-
Balance as at 31 March 2022	272.51	272.51
Additions	18.19	18.19
Disposals	-	-
Balance at 31 March 2023	290.70	290.70
Accumulated amortisation		
Balance as at 1 April 2021	237.42	237.42

	Computer Software	Total
Amortisation charge for the year	3.40	3.40
On disposals	-	-
Balance as at 31 March 2022	240.82	240.82
Amortisation charge for the year	5.54	5.54
On disposals	-	-
Balance as at 31 March 2023	246.36	246.36
Net carrying amount		
As at 31 March 2022	31.69	31.69
As at 31 March 2023	44.34	44.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
6 Non-current investments

(₹ in lakhs)

	Face value of shares	Fully paid / partly paid	As at 31 March 2023		As at 31 March 2022	
			Quantity (Number)	₹ in lakhs	Quantity (Number)	₹ in lakhs
Investment in equity shares						
(i) Investments in foreign subsidiaries (Unquoted - measured at cost)						
EKC International FZE	AED 1	Fully paid	16,203,619	1,993.27	16,203,619	1,993.27
EKC International FZE (including deemed investment)	AED 1,000,000	Fully paid	1	174.14	1	174.14
(ii) Investments in indian subsidiaries (Unquoted - measured at cost)						
Next Gen Cylinder Private Limited	INR 10	Fully paid	100,000	10.00	100,000	10.00
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (i) below]	INR 10	Fully paid	2,212,000	244.93	2,212,000	244.93
Calcutta Compressions and Liquefaction Engineering Limited [Refer note (i) below]	INR 10	Partly paid (₹ 6/- share)	4,424,000	200.10	4,424,000	200.10
Less: Provision for impairment in value of investment				(445.03)		(445.03)
(iii) Equity investments measured at fair value through other comprehensive income (Unquoted)						
Everest Kanto Investment & Finance Private Limited	INR 10	Fully paid	115,000	331.60	115,000	320.11
GPT Steel Industries Private Limited	INR 10	Fully paid	2,000,000	-	2,000,000	-
Tarapur Environment Protection Society	INR 100	Fully paid	5,852	9.56	5,852	9.56
Total investments in equity shares				2,518.57		2,507.08
Total non-current investments				2,518.57		2,507.08
Aggregate amount of unquoted investments				2,518.57		2,507.08
Aggregate amount of impairment in value of investments				445.03		445.03

Notes :

- (i) The net worth of CC&LEL has been fully eroded in earlier years and accordingly, investment in CC&LEL has been fully provided in prior period by the Company.
- (ii) Refer note 43 and 44 for information about fair value measurement, credit risk and market risk of investments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
7 Trade receivables (non-current)		
Trade receivables	400.59	1,080.01
Less : Provision for doubtful debts	-	-
Total	<u>400.59</u>	<u>1,080.01</u>
Break up of security details: Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	400.59	1,080.01
- Significant increase in credit risk	-	-
- Credit impaired	-	-
Less : Impairment allowance		
- Allowance for expected credit loss	-	-
- Credit impaired	-	-
Total	<u>400.59</u>	<u>1,080.01</u>
Refer note 44 for information about credit risk and market risk of trade receivables. For ageing disclosure, Refer note 13		
8 Other non-current financial assets		
Unsecured, considered good		
Deposits maturing over 12 months [Refer note (i) below]	17.42	384.83
Receivable from sale of subsidiary [Refer note 17(ii)]	-	617.41
Security deposits		
- Unsecured, considered good	103.83	199.50
- Significant increase in credit risk	-	-
- Credit impaired	239.00	239.00
Less : Impairment allowance		
- Credit impaired	(239.00)	(239.00)
Total	<u>121.25</u>	<u>1,201.74</u>
Note :		
(i) Held as lien by bank against bank guarantees amounting to ₹ 17.42 lakhs (₹ 384.83 lakhs as at 31 March 2022). Refer note 44 for information about credit risk and market risk for other non-current financial assets.		
9 Current tax liabilities / non-current tax assets (net)		
Advance tax	2,292.44	15,817.66
Provision for taxation	(2,507.41)	(15,225.25)
Current tax liabilities / non-current tax assets (net)	<u>(214.97)</u>	<u>592.41</u>
10 Other non-current assets		
Capital advances	1,659.89	3,963.91
Deposits with government authorities	15.00	15.00
Total	<u>1,674.89</u>	<u>3,978.91</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
11 Inventories		
Raw materials and components	14,095.94	8,541.04
Raw materials and components - in transit	3,534.62	4,215.71
Less : Provision for diminution in value [Refer note 35]	(95.17)	(111.08)
Work-in-progress	7,023.18	4,976.73
Finished goods	3,130.00	2,027.95
Finished goods - in transit	719.74	471.55
Stock-in-trade	38.21	60.45
Stores and spares	32.25	27.18
Total	<u>28,478.77</u>	<u>20,209.53</u>
Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Write-downs of inventories amounted to ₹ 95.17 lakhs as at 31 March 2023 (as at 31 March 2022 - ₹ 111.08 lakhs). These write-downs were recognised as an expense and included in 'Changes in inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.		
12 Current investments		
Investment in equity shares of foreign subsidiaries - Unquoted, fully paid and measured at cost		
EKC Industries (Thailand) Co., Ltd [Refer note (i) below]	-	1,503.77
[Nil shares (31 March 2022 : 100,000 shares) of the face value THB 1,000 each]	-	-
Total	<u>-</u>	<u>1,503.77</u>
Aggregate amount of unquoted investments	-	1,503.77
Aggregate amount for impairment in value of investments	-	-
Note :		
During the year ended 31 March 2019, the Company had decided to wind up the business operations of EKC Industries (Thailand) Co., Limited, a wholly owned subsidiary (WOS) of the Company and accordingly registered the dissolution of EKC Industries (Thailand) Co., Limited., with the Ministry of Commerce, Thailand on 20 August 2021. Subsequently, during the current year, the liquidation process was completed on 20 December 2022 following which the aforesaid WOS stands dissolved resulting which the Company had adjusted amount received from liquidator during previous year amounting to ₹ 1,942.12 lakhs as disclosed under other current financial liabilities against the investment in aforesaid subsidiary and recognised gain on dissolution amounting to ₹ 424.97 lakhs (after adjusting cost of sale of ₹ 13.28 lakhs) (31 March 2022: Nil) which is presented as exceptional item during the year ended 31 March 2023.		
13 Trade receivables (current)		
Trade receivables	10,715.60	19,505.19
Trade receivables - related parties [Refer note 46]	599.43	675.02
Less : Provision for doubtful debts	(1,058.34)	(728.28)
Total	<u>10,256.69</u>	<u>19,451.93</u>
Break up of security details : Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	10,306.38	19,527.76
- Significant increase in credit risk	-	-
- Credit impaired	1,008.65	652.45
Less : Impairment allowance		
- Allowance for expected credit loss	(49.69)	(75.83)
- Credit impaired	(1,008.65)	(652.45)
Total	<u>10,256.69</u>	<u>19,451.93</u>
Refer note 44 for information about credit risk and market risk of trade receivables.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Trade receivables - as at 31 March 2023

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	10,131.69	273.36	301.92	-	-	10,706.97
Undisputed trade receivables - significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	267.67	-	179.44	4.42	557.12	1,008.65
Less: Allowance for expected credit loss (including credit impaired)						(1,058.34)
Trade receivables (net)						10,657.28

Trade receivables - as at 31 March 2022

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	19,838.53	589.81	76.37	84.61	18.45	20,607.77
Undisputed trade receivables - significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	34.34	82.51	535.60	652.45
Less: Allowance for expected credit loss (including credit impaired)						(728.28)
Trade receivables (net)						20,531.94

** There are no disputed trade receivables as at 31 March 2023 and 31 March 2022.

* The above ageing disclosure includes non-current trade receivables.

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
14 Cash and cash equivalents		
Balances with banks		
- In current accounts	1,530.69	1,997.46
- In EEFC accounts	-	162.93
Cash on hand	22.80	21.54
Total	<u>1,553.49</u>	<u>2,181.93</u>
There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the year.		
15 Bank balances other than cash and cash equivalents		
Margin money against guarantees and working capital facilities [Refer note (i) below]	1,253.65	999.04
Margin money against letters of credit [Refer note (ii) below]	-	120.00
Earmarked balances - unpaid dividend accounts	2.67	0.95
Total	<u>1,256.32</u>	<u>1,119.99</u>
Notes:		
(i) Held as lien by bank against bank guarantees amounting to ₹ 3,337.06 lakhs (₹ 2,840.36 lakhs as at 31 March 2022)		
(ii) Held as lien by bank against letters of credit amounting to ₹ 457.19 lakhs (₹ 1,672.85 lakhs as at 31 March 2022)		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
16 Current loans		
Unsecured, considered good, unless otherwise stated		
Inter-corporate deposit	62.54	57.00
Loans to related parties		
- Credit impaired [Refer note below]	663.73	657.73
Less : Impairment allowance		
- Credit impaired	(663.73)	(657.73)
Others	26.44	11.18
Total	88.98	68.18
Notes:		
(i) The net worth of CC&LE has been fully eroded and accordingly, loan granted during the year amounting to ₹ 6.00 lakhs (during the year ended 31 March 2022 : ₹ 75.00 lakhs) has been provided for based on management's assessment of the recoverable value of the aforementioned loan. Thus, till 31 March 2023, total provision of ₹ 663.73 lakhs (31 March 2022, total ₹ 657.73 lakhs) has been made by the Company. Further, for the year ended 31 March 2023, recognition of interest income of ₹ Nil (₹ Nil for the year ended 31 March 2022) in respect of the aforesaid loan given to CC&LE has been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts. Refer notes 47.		
(ii) Refer note 44 for information about credit risk and market risk for loans.		
(iii) Disclosure as per Section 186 of the Companies Act, 2013.		
(a) Hubtown Limited		
Balance as at the year end	62.54	57.00
Maximum amount outstanding at any time during the year	62.54	57.00
[The loan has been provided for working capital requirements and business purposes (rate of interest - 15% p.a.)]		
(b) Calcutta Compressions and Liquefaction Engineering Limited		
Balance as at the year end	663.73	657.73
Maximum amount outstanding at any time during the year	663.73	657.73
[The loan has been provided for working capital requirements (rate of interest - 12% p.a.)]		
17 Other current financial assets		
Unsecured, considered good		
Advances and deposits recoverable [Refer note (i) below]	284.59	253.23
Interest receivable:		
- Banks	79.37	57.34
Security deposits	4.52	6.76
Receivable from sale of subsidiary [Refer note (ii) below]	371.37	-
Total	739.85	317.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
Notes:		
(i) Includes ₹ 10 lakhs (31 March 2022: ₹ 10 lakhs), a security deposit to a private company in which directors are directors / members [Refer Note 46].		
(ii) During the year ended 31 March 2020, pursuant to sale of investment in EKC Industries (Tianjin) Co., Ltd, the Company then had recognised receivable under "non-current financial assets" amounting to RMB 5.19 million (equivalent to ₹ 617.41 lakhs) and corresponding provision towards consideration retained by the buyer for contingencies and open litigations under "other current financial liabilities" amounting to RMB 2.95 million (Equivalent to INR 352.82 lakhs). During the current year ended 31 March 2023, based on the the outcome of the litigation, Company is liable to pay liquidated damages and compensation of RMB 2.08 million (equivalent to INR 248.77 lakhs) and accordingly excess provision of RMB 0.87 million (equivalent to INR 103.63 lakhs) is written back and presented as exceptional item during the current year. Further, the Company has offset the aforementioned liability of RMB 2.08 million against receivable of RMB 5.19 million resulting which receivable outstanding as at 31 March 2023 is RMB 3.11 million (equivalent to ₹ 371.37 lakhs).		
18 Other current assets		
Advances other than capital advances		
- Advances paid to suppliers	3,721.15	6,468.61
- Prepaid expenses	117.60	302.10
Balance with statutory authorities	1,136.67	183.26
Right to receive inventory	37.94	38.89
Total	<u>5,013.36</u>	<u>6,992.86</u>
19 Assets classified as held for sale		
Freehold land [Refer note (i) below]	273.85	273.85
Buildings [Refer note (ii) below & 3(i)]	767.68	767.68
Plant & Machinery (including CNG Cascades) [Refer note (iii) below & 2(v)]	142.60	40.77
Total	<u>1,184.13</u>	<u>1,082.30</u>
Notes :		
(i) During the year ended 31 March 2017, the Company had entered into an agreement towards sale of agricultural land (the "Specified Assets"), situated at Gandhidham. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, the agricultural land has been continued as 'Assets classified as held for sale'. The sales consideration and carrying value of the agricultural land is USD 4 Million and ₹ 273.85 lakhs (31 March 2022: USD 4 Million and ₹ 273.85 lakhs), respectively. An amount of USD 2 Million received during the year ended 31 March 2017 as an advance against the said agricultural land has been included in Note 31 - 'Other current liabilities'.		
(ii) As at 31st March 2023, building at Aurangabad, which was earlier part of Capital-work-in-progress, having book value ₹ 767.68 lakhs (31 March 2022 : ₹ 767.68 lakhs) has been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to dispose off the same. [Refer note 3(i)].		
(iii) During the year ended 31 March 2023, certain plant & machineries (including CNG Cascades) having written down value of ₹ 142.60 lakhs (31 March 2022 : ₹ 40.77 lakhs) has been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to dispose off the same. [Refer note 2(v)].		
(iv) Assets classified as held for sale during the year was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the land has been determined based on contractual rate agreed with the buyer. The fair valuation has been categorised under Level 3 of the fair value hierarchy.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
20 Equity share capital		
Authorised:		
125,000,000 equity shares (31 March 2022 : 125,000,000) of ₹ 2 each	2,500.00	2,500.00
Total	<u>2,500.00</u>	<u>2,500.00</u>
Issued, subscribed and paid-up:		
112,207,682 equity shares (31 March 2022 : 112,207,682) of ₹ 2 each fully paid up	2,244.15	2,244.15
Total	<u>2,244.15</u>	<u>2,244.15</u>

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

	2022-23		2021-22	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	112,207,682	2,244.15	112,207,682	2,244.15
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	112,207,682	2,244.15	112,207,682	2,244.15

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

(iii) Details of shareholders holding more than 5% shares in the Company (Also includes details of shareholding of promoter and promoter's group):

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Khurana Gases Private Limited	17,818,629	15.88	17,818,629	15.88
Ms. Suman Khurana	27,803,749	24.78	15,585,749	13.89
Mr. Prem Kumar Khurana*	-	-	17,018,000	15.17
Mr. Pushkar Khurana	7,503,973	6.69	7,503,973	6.69
Mr. Puneet Khurana	8,205,459	7.31	8,205,459	7.31

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

(iv) Details of shareholders holding by Promoters in the Company:
Shares held by promoters at the end of the year 31 March 2023

Sr. No.	Promoter Name	No of shares at beginning of the year	Change during the year	No of Shares at year end	% of total shares	% change during the year
1	Suman Premkumar Khurana	15,585,749	12,218,000	27,803,749	24.78	78.39
2	Premkumar Dharampal Khurana	12,218,000	(12,218,000)	-	-	(100)
3	Puneet Premkumar Khurana	8,205,459	Nil	8,205,459	7.31	Nil
4	Pushkar Premkumar Khurana	7,503,973	Nil	7,503,973	6.69	Nil
5	Premkumar Dharampal Khurana (HUF)	4,800,000	Nil	4,800,000	4.28	Nil
6	Varun Khurana	4,322,000	Nil	4,322,000	3.85	Nil
7	Sonia Khurana	348,333	Nil	348,333	0.31	Nil
8	Nishita Khurana	10,000	Nil	10,000	0.01	Nil
9	Pooja Khurana	1,000	Nil	1,000	-	Nil
10	Khurana Gases Private Limited	17,818,629	Nil	17,818,629	15.88	Nil
11	Medical Engineers India Limited	4,800,000	Nil	4,800,000	4.28	Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Shares held by promoters at the end of the year 31 March 2022

Sr. No.	Promoter Name	No of shares at beginning of the year	Change during the year	No of Shares at year end	% of total shares	% change during the year
1	Suman Premkumar Khurana	15,585,749	Nil	15,585,749	13.89	Nil
2	Premkumar Dharampal Khurana	12,218,000	Nil	12,218,000	10.89	Nil
3	Puneet Premkumar Khurana	8,205,459	Nil	8,205,459	7.31	Nil
4	Pushkar Premkumar Khurana	7,503,973	Nil	7,503,973	6.69	Nil
5	Premkumar Dharampal Khurana (HUF)	4,800,000	Nil	4,800,000	4.28	Nil
6	Varun Khurana	4,322,000	Nil	4,322,000	3.85	Nil
7	Sonia Khurana	348,333	Nil	348,333	0.31	Nil
8	Nishita Khurana	10,000	Nil	10,000	0.01	Nil
9	Pooja Khurana	1,000	Nil	1,000	0	Nil
10	Khurana Gases Private Limited	17,818,629	Nil	17,818,629	15.88	Nil
11	Medical Engineers India Limited	4,800,000	Nil	4,800,000	4.28	Nil

(v) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2023.

21 Other equity

(₹ in lakhs)

	Reserves and surplus				Total
	Securities premium	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	
Opening balance as at 1 April 2021	24,789.64	7,491.00	2,158.77	275.11	34,714.52
Transactions during the year					
Net profit for the year	-	-	22,817.07	-	22,817.07
Dividend for the Year 2020-21			(336.62)		(336.62)
Other comprehensive income/(loss) for the year (net of tax)	-	-	(12.09)	6.18	(5.91)
Closing balance as at 31 March 2022	24,789.64	7,491.00	24,627.13	281.29	57,189.06
Transactions during the year					
Net profit for the year	-	-	7,204.49	-	7,204.49
Dividend for the Year 2021-22			(785.45)		(785.45)
Other comprehensive income/(loss) for the year (net of tax)	-	-	19.40	8.60	28.00
Closing balance as at 31 March 2023	24,789.64	7,491.00	31,065.57	289.89	63,636.10

Nature and purpose of reserves

(i) Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

(ii) General reserve

The general reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.

(iii) Retained earnings

Retained earnings pertain to the accumulated earnings / losses by the Company over the years.

(iv) Equity instruments at fair value through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
22 Non-current borrowings		
Secured		
Term loans from banks		
Vehicle loans from bank and financial institution [Refer note (i) below]	157.34	42.79
Total	<u>157.34</u>	<u>42.79</u>
Notes :		
(i) Vehicle loan includes loan outstanding amounting to ₹ 145.24 as at 31 March 2023 has been availed from the financial institution during the year ended 31 March 2023, of which current portion amounting to ₹ 18.24 lakhs has been disclosed under current borrowings. The said loan carries an interest rate of 8.85% per annum and is repayable in 48 monthly instalments starting from July 2022 through June 2026. This loan is secured by hypothecation of underlying vehicle.		
Vehicle loan outstanding to financial institution/bank as at 31 March 2023 amounting to ₹ 42.79 lakhs (includes current portion of ₹ 12.45 lakhs shown under current borrowings) (31 March 2022: ₹ 53.93 lakhs (including current portion of ₹ 11.14 lakhs)) is repayable in 48 monthly instalments which commenced from August 2020 with the last instalment falling due in July 2024. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 11.00% per annum.		
(ii) Refer note 44 for liquidity risk and note 52 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.		
23 Non-current lease liabilities		
Lease liabilities [Refer note 53]	1,076.67	36.33
Total	<u>1,076.67</u>	<u>36.33</u>
[Refer note 44 for liquidity risk.]		
24 Other non-current financial liabilities		
Security deposits	35.19	25.05
Total	<u>35.19</u>	<u>25.05</u>
25 Deferred tax liabilities (net)		
Deferred tax liability on account of :		
Depreciation and amortisation	1,868.39	2,734.47
Equity instruments at fair value through other comprehensive income (FVOCI)	15.80	10.85
	<u>1,884.19</u>	<u>2,745.32</u>
Deferred tax assets on account of :		
Provision for doubtful debts / advances / other receivables, etc.	1,006.35	1,330.13
Provision for employee benefits	113.86	112.71
Provision for sales returns	5.61	21.57
Lease liability (net of right-of-use assets) [Refer note 53]	37.33	(9.99)
	<u>1,163.15</u>	<u>1,454.42</u>
Deferred tax liabilities (net)	<u>721.04</u>	<u>1,290.90</u>
[Refer note 42(B)].		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
26 Non-current provisions		
Provision for employee benefits		
- Compensated absences [Refer note 48(C)]	111.74	107.70
- Gratuity (net of plan assets) [Refer note 48(B)]	183.46	200.08
Total	<u>295.20</u>	<u>307.78</u>
27 Current borrowings		
Secured		
Working capital facilities from banks [Refer note (i) below]	4,809.43	4,833.47
Current maturities of non-current borrowings		
Vehicle loan from bank and financial institution [Refer note (iii) below]	30.69	80.57
Unsecured		
Current maturities of non-current borrowings		
Loans from related parties* [Refer note (ii) below and 46]	-	3,736.82
Total	<u>4,840.12</u>	<u>8,650.86</u>

* Includes interest accrued but not due aggregating ₹ Nil (31 March 2022: ₹ Nil)

Refer note 52 for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.

Notes :

- (i) Working capital facilities from various banks having an outstanding balance of ₹ 4,809.43 lakhs as at 31 March 2023 (31 March 2022: ₹ 4,833.47 lakhs) are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on certain land and buildings and moveable fixed assets of the Company. (iii) secured by personal guarantees from two promoter directors. Working capital facility is also secured by exclusive mortgage charge on specific property to each lender bank. Working capital facilities from a bank has been secured by fixed deposits aggregating ₹ 500 lakhs of the Company, which have been held as lien against this facility. The interest rate of the working capital facilities ranges from 8.95% per annum to 10.60% per annum (31 March 2022 : 8.95% per annum to 13.30% per annum).
- (ii) Unsecured loans from related parties were repaid fully during the year ended 31 March 2023. The loans carried an interest rate of 9% per annum (during year ended March 2022: 9%).
- (iii) Vehicle loan from bank of ₹ 3.08 lakhs outstanding as at 31 March 2022 has been fully repaid during the year. This loan is secured by hypothecation of underlying vehicle and carried a fixed rate of interest of 8.35% per annum.
Vehicle loan from bank of ₹ 66.35 lakhs outstanding as at 31 March 2022 has been fully repaid during the year. This loan is secured by hypothecation of underlying vehicle and carried a fixed rate of interest of 11.75% per annum.
- (iv) The quarterly returns / statements filed by the Company with working capital lending banks are in agreement with the books of account of the Company except, the followings:

Quarter	Name of bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancy
June 2022	SBI Bank, ICICI Bank, HDFC Bank	Inventory	20,930.14	19,586.27	1343.87	As per regular approach adopted by the Company, 'the overhead rate of the yearly cycle upto the previous quarter' is applied for the inventory valuation of the subsequent quarter due to the time constrain for monthly bank reporting.
September 2022			28,426.01	29,687.47	(1261.46)	
December 2022			30,357.90	31,369.83	(1011.93)	
March 2023			25,490.79	25,209.04	281.75	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
28 Lease liabilities		
Lease liabilities [Refer note 53]	126.58	130.81
Total	<u>126.58</u>	<u>130.81</u>
Refer note 44 for liquidity risk.		
29 Trade payables		
Total outstanding dues of micro enterprises and small enterprises [Refer note (ii) below]	146.62	158.26
Total outstanding dues of creditors other than micro enterprises and small enterprises - related parties [Refer notes 46]	12.32	41.28
Total outstanding dues of creditors other than micro enterprises and small enterprises - others	2,950.58	6,940.43
Total	<u>3,109.52</u>	<u>7,139.97</u>

Notes :

- (i) Refer note 44 for information about liquidity risk and market risk of trade payables
(ii) The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	146.62	158.26
- interest thereon, included in finance cost		
The amount of interest paid by the buyer under MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

Trade Payables - ageing schedule
As at 31 March 2023

Trade Payables	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	146.62	-	-	-	146.62
Others	2,634.30	30.90	-	297.70	2,962.90
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
As at 31 March 2022

Trade Payables	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	158.26	-	-	-	158.26
Others	6,529.56	72.35	45.15	334.65	6,981.71
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
30 Other current financial liabilities		
Unpaid dividends *	2.67	0.95
Payable for capital expenditure	240.20	190.67
Received from Liquidator [Refer note 12(i) & 46]	-	1,942.12
Deposits	18.75	21.81
Other liabilities** [Refer note 17(ii)]	973.22	1,150.66
Total	1,234.84	3,306.21
* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March, 2023 and 31 March 2022.		
** Other liabilities includes employee related liabilities and provision for expenses.		
31 Other current liabilities		
Revenue received in advance [Includes advances from related parties ₹ 91.92 (31 March 2022 : ₹ Nil)] [Refer note 46]	1,690.91	1,937.75
Statutory dues	686.38	780.53
Advance received against sale of land [Refer note 19(i)]	1,320.00	1,320.00
Total	3,697.29	4,038.28
32 Current provisions		
Provision for employee benefits		
- Compensated absences	21.20	20.70
Provision for sales returns [Refer note below]	60.22	61.74
Provision for contingencies [Refer notes 17(ii) and 41]	-	350.93
Total	81.42	433.37

Notes :

- (i) Pursuant to sale of investment in EKC Industries (Tianjin) Co., Ltd, the Company then had outstanding receivable under "non-current financial assets" amounting to RMB 5.19 million (equivalent to ₹ 617.41 lakhs) as at 31 March 2022 and corresponding provision towards consideration retained by the buyer for contingencies and open litigations under "other current financial provisions" amounting to RMB 2.95 million (equivalent to ₹ 350.93 lakhs) as at 31 March 2022. During the current year ended 31 March 2023, based on the the outcome of the litigation, Company is liable to pay liquidated damages and compensation of RMB 2.08 million (equivalent to ₹ 248.98 lakhs) and accordingly excess provision of RMB 0.87 million (equivalent to ₹ 103.63 lakhs) is written back and presented as exceptional item during the current year. Further, the Company has offset the aforementioned liability of RMB 2.08 million against receivable of RMB 5.19 million resulting which receivable outstanding as at 31 March 2023 is RMB 3.11 million (equivalent to ₹ 371.37 lakhs).
- (ii) A provision is recognized for sales returns on products sold during the last six months, based on past experience of the level of returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for sales return were based on current sales levels and current information available about returns for all products sold. The table below gives information about movement in provision for sales returns.

Opening provision for sales returns	61.74	80.81
Provision made during the year	31.38	71.53
Provision reversed during the year	32.90	90.60
Closing provision for sales returns	60.22	61.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
33 Revenue from Operations		
Sale of products		
Manufactured goods	75,123.88	119,200.38
Stock-in-trade	2,463.12	6,210.88
Other operating revenues		
Scrap sales	1,035.39	1,101.93
Testing, inspection and installation fees	343.07	268.42
Total	<u>78,965.46</u>	<u>126,781.61</u>
Note: Refer note 50 for details of revenue from contracts with customers.		
34 Other Income		
Interest on financial assets measured at amortised cost		
- Inter-corporate deposit and loan	6.15	6.15
- Fixed deposits	67.79	66.18
- Others	0.19	-
Other non-operating income (net)		
- Interest income on income tax refunds	44.06	31.44
- Gain on redemption of investment in mutual fund	-	45.62
- Excess provision written back [Refer notes 44]	0.23	56.02
- Recovery of bad debts of earlier years	18.85	247.30
- Liabilities no longer required written back [Refer note 46]	58.55	407.48
- Lease rent income	123.09	100.19
- Miscellaneous income	68.21	105.10
Total	<u>387.12</u>	<u>1,065.48</u>
35 Cost of materials consumed		
Raw material and components consumed		
Opening stock	12,756.75	6,315.01
Add: Purchases	53,683.27	71,413.65
Less : Reversal of provision towards writedown in value of slow and non moving inventory	15.91	114.44
Less: Closing stock (including in transit)	17,630.56	12,756.75
Total	<u>48,793.55</u>	<u>64,857.47</u>
36 Purchases of stock-in-trade		
Castor oil	2,147.01	5,188.38
Fire fighting equipment	204.76	179.10
Spares and others	20.64	469.29
Total	<u>2,372.41</u>	<u>5,836.77</u>
37 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
At the beginning of the year		
Work-in-progress	4,976.73	3,522.49
Finished goods	2,499.50	2,364.92
Stock-in-trade	60.45	280.63
	<u>7,536.68</u>	<u>6,168.04</u>
At the end of the year		
Work-in-progress	7,023.18	4,976.73
Finished goods (including in transit)	3,849.74	2,499.50
Stock-in-trade	38.21	60.45
	<u>10,911.13</u>	<u>7,536.68</u>
Total	<u>(3,374.45)</u>	<u>(1,368.64)</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
38 Employee benefits		
Salaries and wages*	2,898.09	2,842.25
Gratuity and compensated absences [Refer note 48(B) and (C)]	57.80	61.53
Contribution to provident and other funds [Refer note 48(A)]	186.11	160.67
Staff welfare expenses	68.01	75.02
Total	<u>3,210.01</u>	<u>3,139.47</u>
*Include salaries to key managerial personnel (KMP) and their relative amounting to ₹ 365.76 lakhs (31 March 2022: ₹ 342.84 lakhs). Refer note 46.		
39 Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Borrowings	697.97	745.75
- Lease liabilities [Refer note 53]	56.16	32.00
Interest on delayed payment of statutory dues	-	-
Bank processing fees and other borrowing cost	65.50	63.38
Total	<u>819.63</u>	<u>841.13</u>
40 Other expenses		
Consumption of stores and spares	1,922.86	1,956.85
Power and fuel	4,732.92	5,373.31
Water charges	41.13	57.82
Repairs and maintenance		
- Building	209.42	167.03
- Plant and equipment	310.28	562.67
- Others	42.71	152.46
Labour charges	898.52	862.93
Lease rent [Refer note 53]	54.65	48.07
Insurance	107.18	101.29
Rates and taxes	4,005.12	4,939.67
Payment to auditors [Refer note (i) below]	70.64	68.14
Director sitting fees [Refer note 46]	25.80	18.80
Commission to directors [Refer note 46]	214.10	360.00
Expenditure towards corporate social responsibility [Refer notes 56]	341.93	153.22
Legal and professional fees	333.53	289.12
Net loss on property, plant and equipment sold/discarded	247.23	113.16
Travelling and conveyance	282.00	167.56
Security expenses	69.95	64.58
Bad debts write off	450.73	240.42
Provision for doubtful debts [Refer note 44(A)]	423.62	43.66
Bank charges and commission	112.43	148.90
Packing and forwarding	203.10	387.03
Carriage and freight	1,015.56	1,545.19
Advertisement and sales promotion	276.83	211.65
Commission on sales	81.42	364.98
Miscellaneous expenses [Refer note 46]	730.80	824.46
Total	<u>17,204.46</u>	<u>19,222.97</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
Note:		
(i) Payment to auditors (excluding taxes)		
As Auditors	66.50	66.50
Certification fees	1.05	1.05
Out of pocket expenses	3.09	0.59
Total	<u>70.64</u>	<u>68.14</u>
41 Exceptional items gain / (loss) (net)		
Reversal of provision for contingencies [Refer note 17(ii)]	103.63	-
Profit on dissolution of subsidiary [Refer note 12(i)]	424.97	-
Provision for impairment in property, plant and equipment [Refer note 2(iv)]	(288.84)	(543.71)
Total	<u>239.76</u>	<u>(543.71)</u>
42 Tax expense / (credit)		
Current tax on profits for the year	2,458.42	7,173.99
Deferred tax	(579.26)	3,513.71
Total	<u>1,879.16</u>	<u>10,687.70</u>

(A) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Profit before tax	9,083.65	33,504.77
Expected income tax at the enacted rate of 25.167% (31 March 2022: 34.94%)	2,286.17	11,707.91
Tax effect of the amounts which are not deductible/taxable in calculating taxable income		
Interest on delayed payment of statutory dues	-	0.03
Expenses not allowable for tax purposes	130.39	231.21
Expenditure towards corporate social responsibility	86.06	53.54
Deductions under Income Tax Act, 1961	(78.37)	(175.57)
Utilisation of unabsorbed depreciation loss	-	(328.28)
Adjustment due to change in tax rates	(280.00)	-
Utilisation of brought forward losses	(106.95)	-
Others	(158.14)	(801.14)
Total	1,879.16	10,687.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(B) Deferred tax assets movement (net)

(₹ in lakhs)

	As at 31 March 2023	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 31 March 2022	Changes recognised in Standalone Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 01 April 2021
Deferred tax liability on account of:							
Depreciation and amortisation	1,868.39	(866.08)	-	2,734.47	(768.18)	-	3,502.65
Financial liability measured at fair value through other comprehensive income (FVOCI)	15.80	2.06	2.89	10.85	3.33	(2.06)	9.58
Total	1,884.19	(864.02)	2.89	2,745.32	(764.85)	(2.06)	3,512.23
Deferred tax assets on account of:							
Leases	37.33	47.32	-	(9.99)	(55.87)	-	45.88
Provision for doubtful debts / deposits / advances / investment	1,006.35	(323.78)	-	1,330.13	146.92	-	1,183.21
Employee benefits	113.86	7.67	(6.52)	112.71	6.78	(2.07)	108.00
Provision for sales returns	5.61	(15.96)	-	21.57	11.20	-	10.37
Minimum Alternate Tax credit entitlement	-	-	-	-	(4,387.59)	-	4,387.59
Total	1,163.15	(284.75)	(6.52)	1,454.42	(4,278.56)	(2.07)	5,735.05
Net movement [provision / (reversal)]		(579.27)	9.41		3,513.71	0.01	

(C) Unused tax losses which arose on incurrance of business losses under the Indian tax laws for which no deferred tax asset (DTA) has been created due to absence of reasonable certainty

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Business loss	-	-
DTA on business loss	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
43 Fair value measurements
Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2023			As at 31 March 2022		
	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost
Financial assets - non-current						
Investments	341.16	-	-	329.67	-	-
Loans	-	-	-	-	-	-
Trade receivables	-	-	400.59	-	-	1,080.01
Other financial assets	-	-	121.25	-	-	1,201.74
Financial assets - current						
Trade receivables	-	-	10,256.69	-	-	19,451.93
Cash and cash equivalents	-	-	1,553.49	-	-	2,181.93
Bank balances other than cash and cash equivalents	-	-	1,256.32	-	-	1,119.99
Loans	-	-	88.98	-	-	68.18
Other financial assets	-	-	739.85	-	-	317.33
Financial liabilities - non-current						
Borrowings (including current maturities)	-	-	188.03	-	-	3,860.18
Lease liabilities	-	-	1,076.67	-	-	36.33
Other financial liabilities	-	-	35.19	-	-	25.05
Financial liabilities - current						
Borrowings	-	-	4,809.43	-	-	4,833.47
Trade payables	-	-	3,109.52	-	-	7,139.97
Lease liabilities	-	-	126.58	-	-	130.81
Other financial liabilities	-	-	1,234.84	-	-	3,306.21

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level as follows :

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- (i) The fair values for investment in equity instrument are based on intrinsic value of the investee company.
- (ii) The lease liability is initially measured at amortised cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, these are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
- (iii) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, other current financial assets / liabilities and borrowings approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

43 Fair value measurements (contd)

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

(₹ in lakhs)

	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVOCI						
Unquoted equity instruments	-	-	341.16	-	-	329.67

IV. Reconciliation of level 3 fair value measurement:

(₹ in lakhs)

	2022-23	2021-22
At the beginning of the year	329.67	320.17
Acquisitions	-	-
Disposals	-	-
Fair value change recognised in standalone statement of profit and loss	11.49	9.50
At the end of the year	341.16	329.67

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

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Trade receivables	400.59	400.59	1,080.01	1,080.01
Other financial assets	121.25	121.25	1,201.74	1,201.74
Financial assets - current				
Trade receivables	10,256.69	10,256.69	19,451.93	19,451.93
Cash and cash equivalents	1,553.49	1,553.49	2,181.93	2,181.93
Bank balances other than cash and cash equivalents	1,256.32	1,256.32	1,119.99	1,119.99
Loans	88.98	88.98	68.18	68.18
Other financial assets	739.85	739.85	317.33	317.33
Financial liabilities - non-current				
Borrowings (including current maturities)	188.03	188.03	3,860.18	3,860.18
Lease liabilities	1,076.67	1,076.67	36.33	36.33
Other financial liabilities	35.19	35.19	25.05	25.05
Financial liabilities - current				
Borrowings	4,809.43	4,809.43	4,833.47	4,833.47
Trade payables	3,109.52	3,109.52	7,139.97	7,139.97
Lease liabilities	126.58	126.58	130.81	130.81
Other financial liabilities	1,234.84	1,234.84	3,306.21	3,306.21

Notes :

- (i) The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.
- (ii) During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

44 Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instrument. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and bank balances, bank deposits and investments that derive directly from its operations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A) Credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities (deposits with banks and government and other financial instruments) except loans to related parties. The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these cases, the credit risk is negligible.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in

credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Standalone Statement of Profit and Loss.

a) Expected credit loss for trade receivables:
As at 31 March 2023

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Gross trade receivables	10,399.36	273.36	481.36	4.42	557.12	11,715.62
Expected loss rates	3.02%	0.69%	37.57%	100.00%	100.00%	
Expected credit loss	314.06	1.89	180.85	4.42	557.12	1,058.34

As at 31 March 2022

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Gross trade receivables	19,838.53	589.81	110.71	167.12	554.05	21,260.22
Expected loss rates	0.37%	0.37%	31.24%	49.37%	96.67%	
Expected credit loss	73.40	2.18	34.59	82.51	535.60	728.28

b) Movement in impairment allowance:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Opening provision	728.28	899.90
Provision for doubtful debts	423.62	43.66
Bad debts written off	(93.33)	(159.26)
Excess provision written back	(0.23)	(56.02)
Closing provision	1,058.34	728.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

44 Financial risk management (contd)

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non - derivative financial liabilities

As at 31 March 2023

(₹ in lakhs)

	Within 1 year	1 - 5 years	Greater than 5 year	Total
Financial liabilities - non-current				
Borrowings	-	157.34	-	157.34
Lease liabilities	-	258.20	818.47	1,076.67
Other financial liabilities	-	-	35.19	35.19
Financial Liabilities - current				
Borrowings	4,840.12	-	-	4,840.12
Lease liabilities	126.58	-	-	126.58
Trade payables	3,109.52	-	-	3,109.52
Other financial liabilities	1,234.84	-	-	1,234.84
Total	9,311.06	415.54	853.66	10,580.26

As at 31 March 2022

(₹ in lakhs)

	Within 1 year	1 - 5 years	Greater than 5 year	Total
Financial liabilities - non-current				
Borrowings	-	42.79	-	42.79
Lease liabilities	-	36.33	-	36.33
Other financial liabilities	-	-	25.05	25.05
Financial Liabilities - current				
Borrowings	8,650.86	-	-	8,650.86
Lease liabilities	130.81	-	-	130.81
Trade payables	7,139.97	-	-	7,139.97
Other financial liabilities	3,306.21	-	-	3,306.21
Total	19,227.85	79.12	25.05	19,332.02

C) Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables and payables which are held in USD, AED EUR and CNY.

Foreign currency risk management

In respect of the foreign currency transactions, the Company does not hedge the exposures since the management believes that the same will be partly offset by the corresponding receivables and payables which will be in the nature of natural hedge.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR, are as under: (₹ in lakhs)

	As at 31 March 2023				As at 31 March 2022			
	USD	AED	EUR	CNY	USD	AED	EUR	CNY
Financial liabilities								
Trade payables	194.93	288.77	8.59	-	2,796.57	298.38	41.46	-
Financial assets-Current								
Trade receivables	82.26	-	-	-	123.86	-	84.60	-
Bank balances	-	39.18	-	-	162.93	54.01	-	-
Other current financial assets	-	-	-	371.37	-	-	-	-
Financial assets-Non current								
Other non-current financial assets	-	-	-	-	-	-	-	617.41
Net exposure to foreign currency assets / (liabilities)	(112.67)	(249.59)	(8.59)	371.37	(2,509.78)	(244.37)	43.14	617.41

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, AED, EUR and CNY with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	31 March 2023		31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(5.63)	5.63	(125.49)	125.49
AED	(12.48)	12.48	(12.22)	12.22
CNY	18.57	(18.57)	30.87	(30.87)
EUR	(0.43)	0.43	2.16	(2.16)

(ii) Interest rate risk

The Company's interest rate risk is mainly due to the borrowing acquired at floating interest rate.

The fixed rate borrowing are carried at amortised cost, hence they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The Company's borrowing structure at the end of reporting period are as follows: (₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	4,809.43	4,833.47
Fixed rate borrowings	188.03	3,860.18
Total	4,997.46	8,693.65

Sensitivity analysis

The table below summarizes the impact of increases/decreases of the interest rates on the Company's equity and Gain / (Loss) for the period. The analysis is based on the assumption that the interest rate has increased by 70 basic points or decreased by 70 basic points with all there variables held constant.

(₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2023	31 March 2022
Increase by 70 basis points	(33.67)	(33.83)
Decrease by 70 basis points	33.67	33.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(iii) Price Risk

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

The table below summarizes the impact of increases/decreases of the share price on the Company's equity and Gain/(Loss) for the period. The analysis is based on the assumption that the share price has increased by 5% or decreased by 5% with all these variables held constant, and that the Company's equity instruments moved in line with the share price.

(₹ in lakhs)

Sensitivity	31 March 2023	31 March 2022
Impact on other comprehensive income before tax for 5% increase in share price	17.06	16.48
Impact on other comprehensive income before tax for 5% decrease in share price	(17.06)	(16.48)

45 Capital Management

(i) Risk management

The Company's objectives when managing capital are as below -

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current and current borrowings net of cash and cash equivalents and bank balances other than cash and cash equivalent and total equity comprises of equity share capital and other equity.

The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Gross debt	4,997.46	8,693.65
Less: Cash and cash equivalents and bank balances other than cash and cash equivalent	(2,809.81)	(3,301.92)
Net debt (A)	2,187.65	5,391.73
Equity (B)	65,880.25	59,433.21
Gearing ratio (A / B)	3.32%	9.07%

(ii) Loan covenants

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

(iii) Dividends

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
(i) Equity shares		
Final dividend for the year ended 31 March 2022 of INR 0.70 (31 March 2021: INR 0.30) per fully paid share	785.45	336.62
(ii) Dividends not recognised at the end of the reporting period		
The Board of Directors have recommended a final dividend of ₹ 0.70 per equity share for the year ended 31 March 2023 (31 March 2022: ₹ 0.70), (face value of ₹ 2 each), subject to necessary approval by the members in the ensuing Annual General Meeting of the Company.	785.45	785.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
46 Related Party Disclosure:

As per Ind AS 24, 'Related Party Disclosures', disclosure of transactions with the related parties are given below:

(i) Names of related parties and description of relationship with the Company

Subsidiary companies	EKC Industries (Tianjin) Co., Limited (upto 31 December 2020) EKC International FZE EKC Industries (Thailand) Co., Limited (upto 20 December 2022) Calcutta Compressions and Liquefaction Engineering Limited Next Gen Cylinder Private Limited
Step down subsidiary companies	EKC Hungary Kft. EKC Europe GmbH CP Industries Holdings, Inc. EKC Europe Zrt (w.e.f. 05 May 2021) EKC for Pressure Vessels Manufacturing (EKC Egypt) "S.A.E." (w.e.f. 23 November 2022)
Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence (with whom transactions have taken place during the year)	Mr. Ghanshyam Karkera Mr. M N Sudhindra Rao Ms. Uma Acharya Dr. Vaijayanti Pandit Everest Kanto Investment and Finance Private Limited Khurana Gases Private Limited Medical Engineers (India) Limited Khurana Fabrication Industries Private Limited Khurana Exports Private Limited Khurana Charitable Trust
Key Management Personnel	Mr. Puneet Khurana - Managing Director Mr. Pushkar Khurana - Chairman and Executive Director Mr. Sanjiv Kapur - Chief Financial Officer Ms. Bhagyashree Kanekar - Company Secretary (upto 30 June 2021) Ms. Reena Shah - Company Secretary (12 August 2021 to 23 November 2022)
Relatives of Key Management Personnel (with whom transactions have taken place during the year)	Ms. Suman Khurana

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

46 Related party disclosures (contd)
(ii) Transactions with related parties during the year:

(₹ in lakhs)

	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sale of goods:										
EKC International FZE	43.60	93.38	-	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	599.06	1,681.08	-	-	-	-
Sale of consumables, stores and spares										
EKC International FZE	75.90	481.23	-	-	-	-	-	-	-	-
Purchase of raw materials and stock-in-trade										
EKC International FZE	2.59	151.47	-	-	-	-	-	-	-	-
Remuneration										
Mr. Puneet Khurana	-	-	-	-	-	-	258.95	234.66	-	-
Ms. Bhagyashree Kanekar	-	-	-	-	-	-	-	4.84	-	-
Ms. Reena Shah	-	-	-	-	-	-	9.26	8.26	-	-
Mr. Sanjiv Kapur	-	-	-	-	-	-	67.55	65.08	-	-
Mrs. Suman Khurana	-	-	-	-	-	-	-	-	30.00	30.00
Sitting fees										
Mr. Ghanshyam Karkera	-	-	-	-	6.90	5.00	-	-	-	-
Ms. Uma Acharya	-	-	-	-	7.50	5.40	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	7.20	5.20	-	-	-	-
Dr. Vajjayanti Pandit	-	-	-	-	4.20	3.20	-	-	-	-
Commission to managing directors										
Mr. Pushkar Khurana	-	-	-	-	-	-	97.05	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	97.05	340.00	-	-
Commission to non-executive directors										
Ms. Uma Acharya	-	-	-	-	5.00	5.00	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	5.00	5.00	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	5.00	5.00	-	-	-	-
Dr. Vajjayanti Pandit	-	-	-	-	5.00	5.00	-	-	-	-
Rent expenses										
Khurana Fabrication Industries Private Limited	-	-	-	-	17.46	16.77	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	47.63	45.74	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	8.81	14.50	-	-	-	-
Mr. Pushkar Khurana	-	-	-	-	-	-	3.78	3.78	-	-
Mrs. Suman Khurana	-	-	-	-	-	-	-	-	3.60	-
Other expenses										
EKC International FZE	0.83	-	-	-	-	-	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	12.68	12.84	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Reimbursement of expenses										
EKC International FZE	2.88	3.90	-	-	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	1.75	5.49	-	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	1.10	-	-	-	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	0.55	3.84	-	-
Ms. Uma Acharya	-	-	-	-	0.16	-	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	0.02	-	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	0.16	-	-	-	-	-
Dr. Vajjayanti Pandit	-	-	-	-	0.10	-	-	-	-	-
Reimbursement of expenses - Technical Inspection Fees										
Ekc International FZE	2.88	-	-	-	-	-	-	-	-	-
Interest expenses										
Khurana Gases Private Limited	-	-	-	-	99.80	118.90	-	-	-	-
Everest Kanto Investment and Finance Private Limited	-	-	-	-	107.03	337.96	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	18.25	24.89	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	0.61	0.63	-	-	-	-
Provision for doubtful loan during the year										
Calcutta Compressions and Liquefaction Engineering Limited	-	-	-	-	-	-	-	-	-	-
Liability no longer required written back										
EKC International FZE	6.00	75.00	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	192.02	-	-	-	-	-	-	-	-
Loans repaid during the year										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	2,367.00	1,538.50	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	1,155.54	224.46	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	207.28	94.72	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	7.00	-	-	-	-	-
Trade Advances										
CP Industries Holdings, Inc.	-	-	111.96	-	-	-	-	-	-	-
Medical Engineers (India) Limited	-	-	-	-	25.43	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

(iii) Balances of related parties	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Payables (Trade payables and other liabilities)										
EKC International FZE	3.59	-	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	8.73	8.05	-	-	-	-	-	-
EKC Europe GmbH	-	-	-	33.23	-	-	-	-	-	-
Mr. Pushkar Khurana	-	-	-	-	-	-	97.05	6.73	-	-
Mr. Puneet Khurana	-	-	-	-	-	-	119.29	355.00	-	-
Ms. Reena Shah	-	-	-	-	-	-	-	1.12	-	-
Mr. Sanjiv Kapur	-	-	-	-	-	-	6.72	5.51	-	-
Ms. Uma Acharya	-	-	-	-	4.50	4.50	-	-	-	-
Mr. M N Sudhindra Rao	-	-	-	-	4.50	4.50	-	-	-	-
Mr. Ghanshyam Karkera	-	-	-	-	4.50	4.50	-	-	-	-
Dr. Vajjayanti Pandit	-	-	-	-	4.50	4.50	-	-	-	-
Mrs. Suman Khurana	-	-	-	-	-	-	-	-	5.47	2.50
Loans & advances given										
Calcutta Compressions and Liquefaction Engineering Limited "[Fully Provided : Provision ₹ 6.00 lakhs during year ended 31 March 2023 (during year ended 31 March 2022: ₹ 75 lakhs)]"	663.73	657.73	-	-	-	-	-	-	-	-
Advance given to suppliers and other advances										
Mr. Puneet Khurana	-	-	-	-	-	-	2.28	-	-	-
Revenue received in advance										
Medical Engineers (India) Limited	-	-	-	-	15.43	11.36	-	-	-	-
CP Industries Holdings, Inc.	-	-	111.96	-	-	-	-	-	-	-
Loans taken										
Everest Kanto Investment and Finance Private Limited	-	-	-	-	-	2,367.00	-	-	-	-
Khurana Gases Private Limited	-	-	-	-	-	1,155.00	-	-	-	-
Khurana Fabrication Industries Private Limited	-	-	-	-	-	207.82	-	-	-	-
Khurana Exports Private Limited	-	-	-	-	-	7.00	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	Subsidiary companies		Step down subsidiary companies		Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Receivables										
EKC International FZE	64.12	36.63	-	-	-	-	-	-	-	-
CP Industries Holdings, Inc.	-	-	20.04	18.48	-	-	-	-	-	-
Calcutta Compressions and Liquefaction Engineering Limited	535.31	535.31	-	-	-	-	-	-	-	-
EKC Europe GmbH	-	-	-	84.60	-	-	-	-	-	-
EKC Positron Gas Ltd	-	-	-	-	-	-	-	-	-	-
Deposit receivable										
Khurana Exports Private Limited	-	-	-	-	10.00	10.00	-	-	-	-
Received from liquidator of EKC Industries (Thailand) Co. Ltd.	-	1,942.12	-	-	-	-	-	-	-	-
Personal guarantees from promoter directors for borrowings by the Company [Refer note (c) below]										

Notes :

- Foreign currency balances are restated using closing rate as at balance sheet date.
- Loans given to subsidiaries have been utilised by them for acquisition of property, plant and equipment and for working capital.
- Personal guarantees given to banks for working capital loans with sanctioned limit of ₹ 16,716 lakhs as at 31 March 2023 (₹ 10,500 lakhs as at 31 March 2022) by promoter directors against which ₹ 4,809.43 lakhs was outstanding as at 31 March 2023 (₹ 4,833.47 lakhs as at 31 March 2022).
- The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 31 May 2024 to enable it to meet its day to day obligations/commitments; to the extent this entity may be unable to meet its obligations.
- All the transactions stated above with related parties are on arm's length basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Compensation to Key Management Personnel *

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	314.16	291.24
Post-employment benefits	21.60	21.60
Total compensation	335.76	312.84

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

47 Contingent liabilities, capital and other commitments

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
(A) Contingent liabilities:		
(i) Income tax matters under dispute	1,183.30	1,319.13
(ii) Lease tax	-	13.69
(iii) Sales tax and Value Added Tax	7.16	285.97
(iv) Excise duty	89.26	47.11
(v) <u>Provident fund</u> The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, the Company has provided for the liability in accordance with the judgement from the date of pronouncement and retrospective liability, if any, will be provided when the final legal view emerges from the authority.	Amount not determinable	Amount not determinable
(vi) Company's liabilities/obligations pertaining to the period upto the date of transfer of investment in EKC Industries (Tianjin) Co. Ltd. [Refer note 17(ii)]	Amount not determinable	Amount not determinable
(vii) Claims against Company not acknowledged as debts Future cash flows in respect of the above are determinable only on pronouncements of judgments / decisions pending with various forums / authorities.	50.75	50.75
(B) <u>Commitments</u>		
(i) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	1,121.77	2,049.79
(ii) Uncalled amount of partly paid equity shares of a subsidiary company	176.96	176.96
(iii) The Company has provided letter committing financial support to its step down subsidiary, CP Industries Holdings, Inc. till 31 May 2024 to enable it to meet its day to day obligations / commitments; to the extent this entity may be unable to meet its obligations.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
48 Employee benefits
(A) Defined contribution plan:

Contribution to defined contribution plans, recognised as expense for the year in the Statement of profit and loss are as under :

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Employer contribution to provident fund	161.04	155.90
Employer contribution to employees state insurance scheme	24.85	4.55
Employer contribution to labour welfare fund ¹	0.22	0.22
Total	186.11	160.67

(B) Defined benefit plan:
Contribution to gratuity fund (funded scheme)

The Company provides gratuity benefit for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Actuarial assumptions		
Mortality table	IALM (2012-14) ult	IALM (2012-14) ult
Discount rate (%) (per annum)	7.45%	6.95%
Rate of increase in compensation (%) (per annum)	7.00%	7.00%
Withdrawal rate (%) (per annum)		
AAge 21-30 years	7.50%	7.50%
Age 31-40 years	5.00%	5.00%
Age 41-57 years	3.00%	3.00%
(ii) Assets information (%)	100%	100%
Insurer managed funds		
(iii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	396.17	347.44
Interest expense	25.91	20.97
Current service cost	40.74	35.18
Actuarial loss/ (gain)	(26.44)	18.90
Benefits paid	(35.09)	(26.32)
Present value of obligation at the end of the year	401.29	396.17
(iv) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of the year	196.09	208.89
Interest income	13.39	13.19
Contributions	43.96	-
Benefits paid	(35.09)	(26.32)
Actuarial (loss) / gain	(0.52)	0.33
Fair value of plan assets at the end of the year	217.83	196.09
(v) Assets and liabilities recognised in the Standalone Balance Sheet		
Present value of the defined benefit obligation at the end of the year	401.29	396.17
Less: Fair value of plan assets at the end of the year	(217.83)	(196.09)
Net liability recognised	183.46	200.08

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2023	Year ended 31 March 2022
	Recognised under provisions		
	Current	-	-
	Non-current	183.46	200.08
(vi)	Expenses recognised in the Standalone Statement of Profit and Loss		
	Current service cost	40.74	35.18
	Net interest expense	12.52	7.78
	Net gratuity cost recognised during the year in the Statement of Profit and Loss	53.26	42.96
	Included in note 38 'Employee benefits expense'		
(vii)	Expenses recognised in Other comprehensive income / (loss)		
	Actuarial gain / (loss) on measurements of defined employee benefit plans	25.92	(18.57)
	Total remeasurement cost for the year recognised in Other comprehensive income / (loss)	25.92	(18.57)
(viii)	Reconciliation of net asset / (liability) recognised:		
	Net asset / (liability) recognised at the beginning of the period	(200.08)	(138.55)
	Company contributions	43.96	-
	Actuarial gain / (loss)	25.92	(18.57)
	Expenses recognised at the end of period	(53.26)	(42.96)
	Net asset/(liability) recognised at the end of the period	(183.46)	(200.08)

(ix) Sensitivity Analysis:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Impact of increase in 50 bps on DBO (discount rate)	3.85%	-	3.94%	-
Impact of decrease in 50 bps on DBO (discount rate)	-	4.12%	-	4.23%
Impact of increase in 50 bps on DBO (salary escalation rate)	-	4.02%	-	4.10%
Impact of decrease in 50 bps on DBO (salary escalation rate)	3.78%	-	3.85%	-

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(x) Number of employees

(in numbers)

	Year ended 31 March 2023	Year ended 31 March 2022
Active members	612	626
<ul style="list-style-type: none"> • deferred members - Nil (2021-22: Nil)s • retired members - Nil (2021-22: Nil) The Company expects to contribute around ₹ 40 lakhs to the funded plans in financial year 2023-24 for gratuity.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(xi) Maturity analysis of projected benefit obligation (undiscounted):

(₹ in lakhs)

Year	Year ended 31 March 2023	Year ended 31 March 2022
1	48.57	46.79
2	29.45	40.01
3	47.30	27.15
4	37.95	44.01
5	44.71	33.61
6	49.05	40.63
7	35.80	45.75
8	15.96	33.25
9	52.11	14.49
10 and above	489.81	481.70

(xii) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants

from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset liability mismatching or market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

- (C) The obligation of compensated absences is recognised in the same manner as gratuity and net expense in the Standalone Statement of Profit and Loss for the year ended 31 March 2023 is ₹ 46.90 lakhs (31 March 2022: ₹ 73.31 lakhs).

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current provisions	21.20	20.70
Non-current provisions	111.74	107.70
Total	132.94	128.40

49 Segment reporting

In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the Consolidated Financial Statements of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial statements.

50 Revenue from contracts with customers

The Company derives revenues primarily from sale of high pressure seamless gas cylinders and other cylinders, equipments, appliances and other related services. Further, the Company is engaged in the trading of fire extinguishment and related equipment and castor oil.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Under Ind AS 115, an entity recognises revenue when it transfers control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, the Company assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Company considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

The majority of customer contracts that Company enters into consist of a single performance obligation for the delivery of cylinders, fire fighting equipment and castor oil. The Company recognizes revenue from product sales when control of the product transfers i.e. generally upon shipment.

Some contracts provide customers with a right of return and Company recognises provision for sales return, based on the historical results, measured as net margin of such sale. [Refer notes 18 and 32].

Disaggregation of revenue

(a) Revenue based on geography

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Within India	76,589.09	120,502.44
Outside India	2,376.37	6,279.17
Total	78,965.46	126,781.61

(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Cylinders	75,123.88	119,200.38
Castor oil	2,166.93	5,495.48
Fire fighting equipment	41.17	278.72
Others	1,633.48	1,807.03
Total	78,965.46	126,781.61

(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognition at a point in time	78,965.46	126,781.61
Revenue recognition over period of time	-	-
Total	78,965.46	126,781.61

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

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	79,403.27	126,872.21
Sales return	437.81	90.60
Revenue from contract with customers	78,965.46	126,781.61

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
Contract balances

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables [gross of provision for doubtful debts of ₹ 1,058.34 lakhs (31 March 2022 : ₹ 728.28 lakhs)]	11,715.62	21,260.22
Revenue received in advance	1,690.91	1,937.75

51 Earnings per share

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Net Profit after tax attributable to equity share holders (₹ In lakhs)	7,204.49	22,817.07
Weighted average number of equity shares outstanding during the year (numbers)	112,207,682	112,207,682
Basic and diluted earnings per share (₹)	6.42	20.34
Face value per share (₹)	2.00	2.00

Note :

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2023 and 31 March 2022. Consequently, basic and diluted earnings per share of the Company remains the same.

52 Assets pledged as security

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

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Non-current assets		
Property, plant and equipment	20,624.63	18,434.73
Capital work-in-progress	5,168.56	2,986.58
Investment Property	2,346.01	1,094.59
Intangible assets	44.34	31.69
Trade receivables	400.59	1,080.01
Current assets		
Financial assets		
Trade receivables	10,256.69	19,451.93
Cash and cash equivalents	1,553.49	2,181.93
Bank balances other than cash and cash equivalents	1,256.32	1,119.99
Loans	88.98	68.18
Other financial assets	739.85	317.33
Non financial assets		
Inventories	28,478.77	20,209.53
Other current assets	5,013.36	6,992.86
Assets classified as held for sale	1,184.13	1,082.30
Total assets pledged as security	77,155.72	75,051.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

53 Ind AS 116, 'Leases'

The disclosure required in accordance with Ind AS 116 are as follows:

a) The Company's leased assets primarily consist of leases for land, building (premises) and warehouses having various lease terms.

b) The maturity analysis of lease liabilities are disclosed in note 44(B).

c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Right-of-use assets		
Leasehold land	94.04	95.33
Buildings	1,170.50	100.40
	1,264.54	195.73
Lease liabilities		
Current	126.58	130.81
Non-current	1,076.67	36.33
	1,203.25	167.14

Amounts recognised in Standalone Statement of Profit and Loss

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Depreciation / Amortisation charge on Right-of-use assets		
Leasehold land	1.29	1.29
Buildings	163.33	149.46
	164.62	150.75
Interest expense included in finance cost	56.16	32.00
Expense relating to short-term leases	54.65	48.07
Total cash outflow for leases during current financial year (excluding short term leases)	253.48	246.38
Additions / (Deletion) to the right-of-use assets during the current financial year	1,233.43	(5.11)

The movement in lease liabilities is as follows:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	167.14	386.63
Additions / (Deletions) to the right-of-use assets during the year	1,233.43	(5.11)
Interest expense included in finance cost	56.16	32.00
Payment of lease obligations	(253.48)	(246.38)
Lease liabilities	1,203.25	167.14
Current	126.58	130.81
Non-current	1,076.67	36.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
Details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Less than 1 year	233.28	247.41
1-5 years	605.93	250.82
More than 5 years	1,250.31	-
	2,089.52	498.23

54 Ratios

Sr. No.	Type of ratio	Measure (in times / percentage)	Formula for computation	Ratio		Variation in ratio between 31 March 2023 and 31 March 2022	Reasons for Variance
				31 March 2023	31 March 2022		
1	Current ratio	Times	Current assets / Current liabilities	3.56	2.19	62.63%	Ratio has improved majorly on account of repayment of trade payables and borrowings.
2	Debt-equity ratio	Times	Total Debt / Equity	0.08	0.15	-49.43%	The decrease is on account of full repayment of loan from related parties.
3	Debt service coverage ratio	Times	Earnings for debt service* / Debt Service	2.45	10.09	-75.68%	Decrease is majorly on account of increase in debt payments.
4	Return on equity ratio	Percentage	Profit after tax / Shareholders' Equity	10.94%	38.39%	-71.51%	Decrease in return on equity is on account of decrease in revenue and thereby net profit during the year.
5	Inventory turnover ratio	Times	Cost of Goods Sold / Average inventory	2.31	4.85	-52.41%	Decrease is on account of decrease in purchases during the year and increase inventory as at reporting date.
6	Trade receivable turnover ratio	Times	Revenue from operations / Average trade receivable	5.06	7.31	-30.73%	Decrease is on account of decrease in revenue from operations and trade receivables.
7	Trade payable turnover ratio	Times	Net Purchases / Average trade payables	10.94	7.51	45.61%	The increase is on account of decrease in trade payables.
8	Net capital turnover ratio	Times	Revenue from operations / Working capital	2.32	4.50	-48.51%	Variance is on account of decrease in revenue from operations.
9	Net profit ratio	Percentage	Net Profit/(Loss) after tax / Revenue from operations	9.12%	18.00%	-49.31%	The decrease in ratio is due to decrease in revenue from operations resulting in decrease in net profit.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

54 Ratios (contd)

Sr. No.	Type of ratio	Measure (in times / percentage)	Formula for computation	Ratio		Variation in ratio between 31 March 2023 and 31 March 2022	Reasons for Variance
				31 March 2023	31 March 2022		
10	Return on capital employed	Percentage	Earnings Before Interest and tax/ Capital Employed	13.84%	49.50%	-72.04%	Decrease in return on capital employed is majorly on account of decrease in earnings before interest and tax.
11	Return on investment	Percentage	EBIT/Total Assets	12.16%	40.49%	-69.98%	Decrease in return on investment is majorly on account of decrease in earnings before interest and tax.

* annualised ratios

Notes:

- Earnings for debt service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA).
- Debt Service = Finance cost for the year + Repayment of debt within one year.
- Cost of Good sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress + Manufacturing expenses (included under the head operating expenses).
- Average inventory = (Opening inventory + closing inventory)/2.
- Average trade receivables = (Opening trade receivables + closing trade receivables)/2.
- Net purchases = Purchases of stock in trade + purchases of raw materials.
- Average trade payables = (Opening trade payables + closing trade payables)/2.
- Working Capital = Current Assets - Current Liabilities.
- Earnings before Interest and Tax (EBIT) = Profit after exceptional item and before tax + Finance costs (recognised).
- Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability.

55 Net debt reconciliation

Reconciliation of non-cash and cash flow changes in financing activities (₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	1,553.49	2,181.93
Non-current borrowings (including current maturities)	(188.03)	(3,860.18)
Current borrowings	(4,809.43)	(4,833.47)
Lease liabilities (including current maturities)	(1,203.25)	(167.14)
Net debt	(4,647.22)	(6,678.86)

(₹ in lakhs)

	Cash and cash equivalents	Borrowings (excluding working capital)	Working Capital	Lease liabilities	Total
Net Debt as at 1 April 2021	5,300.83	(6,247.56)	(5,382.78)	(386.63)	(6,716.14)
Cash flows	(3,118.90)	2,250.38	549.31	246.38	(72.83)
Lease (reduction)/addition	-	-	-	5.12	5.12
Interest expense	-	(511.81)	(297.32)	(32.00)	(841.13)
Interest paid	-	648.81	297.32	32.00	978.13
Non cash adjustment					
Amortisation of loan processing fee	-	-	-	-	-
Net Debt as at 31 March 2022	2,181.93	(3,860.18)	(4,833.47)	(135.13)	(6,646.85)
Cash flows	(628.44)	3,672.14	24.04	141.16	3,208.90
Lease (reduction)/addition	-	-	-	(1,233.43)	(1,233.43)
Interest expense	-	(242.63)	(520.84)	(56.16)	(819.63)
Interest paid	-	242.63	520.84	56.16	819.63
Net Debt as at 31 March 2023	1,553.49	(188.04)	(4,809.43)	(1,227.40)	(4,671.38)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
56 Expenditure towards corporate social responsibility

Section 135 of the Companies Act, 2013 and rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or net profit of ₹ 5 crore or more during the immediately preceding financial year shall ensure that the company spends, in every financial year, atleast 2% of the average

net profits earned during the three immediately preceding financial years, in pursuance of the Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Average net profit of the Company as per Section 198 of Companies Act, 2013 during the three immediately preceding financial years	17,380.90	7,362.41
Amount required to be spent as per Section 135 of the Companies Act, 2013 (2% of the average net profit as computed above)	347.62	147.25
Amount spent by the Company during the year*	341.93	153.22
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above**	341.93	153.22
Amount Excess Spend during earlier year carried forward and adjusted in current year	5.97	-
Amount unspent / (excess spent) as at balance sheet date	(0.28)	(5.97)

(₹ in lakhs)

	Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Year ended 31 March 2023	(5.97)	50.00	347.62	291.93	(0.28)
Year ended 31 March 2022	-	-	147.25	153.22	(5.97)

* During the year ended 31 March 2023, amount spent by the Company includes ₹ 50.00 lakhs (31 March 2022: Nil) which has been deposited in escrow account created for CSR with a bank before the reporting date. The Company will contribute the aforesaid funds to a charitable trust as approved by the CSR committee in their meeting dated 08 February 2023.

** The aforesaid payments were made to various charitable trusts for eradication of hunger, poverty, malnutrition and promoting education etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

57 Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off by Registrar of Companies (ROC).
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) No funds have been advanced or loaned or invested by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the

understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (vii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58 The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

59 The standalone financial statements were authorised for issue by the Board of Directors on 29 May 2023.

As per our report of even date attached
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Murad D Daruwalla
Partner
Membership No: 043334

Place : Mumbai
Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 29 May 2023

Sanjiv Kapur
Chief Financial Officer

Place : Mumbai
Date : 29 May 2023

Ghanshyam Karkera
Director
DIN: 00001829
Place : Mumbai
Date : 29 May 2023

Vishal Totla
Company Secretary
Membership No: A26757

Place : Mumbai
Date : 29 May 2023



Everest Kanto Cylinder Limited
FY 2022-23

Form AOC-I
(Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with
Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate
companies / joint ventures

(₹ in Lakhs)

Sr. No.	Name of the subsidiaries	EKC International FZE	EKC Hungary Kft	CP Industries Holdings, Inc.	EKC Europe GmbH	EKC Europe GYÁRTÓ Zrt	EKC Egypt	Calcutta Compressions & Liquefaction Engineering Ltd.	Next Gen Cylinder Pvt. Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA
2	Reporting currency	AED	USD	USD	Euro	HUF	EGP	INR	INR
3	Exchange rate as on 31.03.2023	1 AED = 22.3658	1 USD = 82.2169	1 USD = 82.2169	1 EURO = 89.6076	1 HUF = 0.2349	1 EGP = 2.6647	NA	NA
4	Share capital	3,847.73	6,321.78	7,399.52	22.40	140.40	149.20	486.64	10.00
5	Reserves & surplus	62,813.17	(12,628.43)	(23,715.46)	(485.70)	(26.25)	(111.59)	(1,965.62)	(0.60)
6	Total assets	70,837.30	4,780.69	27,179.80	1,471.11	149.51	1,955.69	80.83	9.49
7	Total liabilities	70,837.30	4,780.69	27,179.80	1,471.11	149.51	1,955.69	80.83	9.49
8	Investments	6,749.21	-	-	-	-	-	-	-
9	Turnover	20,656.45	744.11	28,558.57	3,071.69	-	-	0.78	-
10	Profit/ (Loss) before taxation	1,130.28	708.42	(1,518.93)	43.87	(3.65)	(122.43)	(7.78)	(0.09)
11	Provision for taxation	-	1.38	15.40	-	-	-	-	-
12	Profit/ (Loss) after taxation	1,130.28	707.04	(1,534.34)	43.87	(3.65)	(122.43)	(7.78)	(0.09)
13	% of shareholding	100.00%	100.00%	100.00%	100.00%	80.00%	80.00%	100.00%	100.00%

INDEPENDENT AUDITOR’S REPORT

To the Members of Everest Kanto Cylinder Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Everest Kanto Cylinder Limited** (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverable value of idle property, plant and equipment and capital work-in-progress</p> <p>Refer notes 2 and 3 to the accompanying consolidated financial statements.</p> <p>As at 31 March 2023, the net carrying amount of certain idle property, plant and equipment (PPE) and Capital work-in-progress is ₹ 1,806.91 lakhs and ₹ 307.34 lakhs, respectively.</p> <p>The said assets have remained idle for a considerable period due to demand contraction for certain products. Therefore, management has considered it to be an indicator of possible impairment in the carrying value of these assets.</p> <p>Accordingly, the management, with the help of an independent valuer, has estimated the recoverable amount of the aforesaid idle property, plant and equipment and capital work-in-progress</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management’s process and evaluated design and tested operating effectiveness of controls around identification of indicators of impairment and around valuation of the property, plant and equipment and capital work-in progress to determine their recoverable values; • Assessed the appropriateness of methodology and valuation method used by the management’s valuation specialist to estimate the recoverable value of the property, plant and equipment and capital work-in-progress using expertise of an auditor’s valuation specialist; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;

Key audit matter	How our audit addressed the key audit matter
<p>using 'Depreciated Replacement cost valuation method', under the cost approach, which is a complex exercise, and involves the use of significant estimates and assumptions that are dependent on expected future market conditions.</p> <p>As per assessment done by the management, the carrying value of the said PPE and capital work-in-progress was impaired by ₹ 237.91 lakhs and ₹ 50.93 lakhs and recognised in the accompanying consolidated financial statements in accordance with Ind AS 36, Impairment of assets, as disclosed in Note 2 and 3.</p> <p>Considering the materiality of the amounts involved, the significant judgement required in estimating the quantum of impairment in the value of the said property, plant and equipment and capital work-in-progress, and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year's audit.</p>	<ul style="list-style-type: none"> Assessed the reasonableness of estimates including estimation of expected useful lives of property, plant and equipment and key assumptions including salvage value and cost of disposal used by the management's valuation specialist in estimating the recoverable value of property, plant and equipment and capital work-in-progress and performed sensitivity analysis on such key assumptions using the expertise of auditor's valuation specialist; Tested the arithmetical calculations in the management's computation; and Evaluated the adequacy of disclosures in respect of impairment of the said property, plant and equipment and capital work-in-progress in the consolidated financial statements.

In addition to the above, the auditors of CP Industries Holdings, Inc a step-down subsidiary of the Holding Company, have reported below key audit matter:

Key audit matter	How our audit addressed the key audit matter
<p>Legal settlement</p> <p>On May 31, 2017, the Company entered into a supply agreement with a customer to provide hydrogen cylinder vessels. In August 2020, a nonconformance defect was identified on the supplied hydrogen cylinder vessels under the supply agreement. Subsequently, in November of 2021 the customer cancelled the supply agreement and sought damages related to the Company's non-performance.</p> <p>The Company and the customer entered into a settlement agreement on December 20, 2022 for \$2,500,000. The Company recorded the \$2,500,000 settlement in operations in the Statements of Operations and Comprehensive Income/ (Loss) during the fiscal year ended March 31, 2023. The settlement required an upfront payment of \$1,500,000 and eight monthly instalments of \$125,000 beginning on January 31, 2023. At March 31, 2023, the Company had remitted \$1,875,000 and accrued \$625,000 which is included in accrued expenses and other current liabilities in the Balance Sheets.</p>	<p>We obtained the fully executed settlement agreement, sent a legal confirmation to external counsel and obtained to-date wire payments based upon the terms of the settlement agreement.</p>
<p>Inventories</p> <p>Work-in-Process inventory as per the CP Industries Holding Inc. (CPIH) inventory reporting system (KEA) was not timely reconciled and showed differences between the underlying reports and the general ledger at 31 March 2023.</p>	<p>During the audit, CPIH provided us with memorandums detailing their review of these items and conclusion that an additional reserve for slow moving or obsolete inventory was required at 31 March 2023. We performed more a thorough analysis resulting in an additional reserve for slow-moving inventory. As a result of these matters and other reconciling audit adjustments, we are reporting material weaknesses in internal control.</p>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of three subsidiaries, whose financial statements (before eliminating intercompany balances / transactions) reflects total assets of ₹ 98,042 lakhs and net assets of ₹ 44,038 lakhs as at 31 March 2023, total revenues of ₹ 48,379 lakhs and net cash outflows amounting to ₹ 849 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Further, of these subsidiaries, two subsidiaries, are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial statements of two subsidiaries, whose financial statements (before eliminating intercompany balances and transactions) reflects total assets of ₹ 159 lakhs and net assets of ₹ 159 lakhs as at 31 March 2023, total revenues of ₹ Nil and net cash outflows amounting to ₹ 13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, incorporated in India, whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company

incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to one subsidiary company, incorporated in India whose financial statements have been audited under the Act, since such subsidiary company is not a public company as defined under section 2(71) of the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by the respective other auditors, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies and taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our

information and according to the explanations given to us;

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 46 to the consolidated financial statements;
- ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2023;
- iv.
 - a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 58(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 58 (vii), no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee,

- security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 44(v) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

UDIN: 23043334BGSDXO3151

Place: Mumbai
Date: 29 May 2023

Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiary Companies

- EKC International FZE
- Calcutta Compressions and Liquefaction Engineering Limited
- EKC Hungary Kft.
- CP Industrial Holdings, Inc.
- Next Gen Cylinder Private Limited
- EKC Europe GmbH
- EKC Europe Zrt.
- EKC for Pressure Vessels manufacturing (EKC Egypt) "S.A.E" (incorporated w.e.f 23 November 2022)
- EKC Industries (Thailand) Co., Ltd. (dissolved on 20 December 2022)

Annexure A to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited on the consolidated financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Everest Kanto Cylinder Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, which are companies covered under the Act, as at that date.
2. **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**
The respective Board of Directors of the Holding Company, its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial

reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No.: 043334

UDIN: 23043334BGSDXO3151

Place: Mumbai
Date: 29 May 2023



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Note No.	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
I ASSETS			
1 Non-current assets			
Property, plant and equipment	2	36,830.98	32,353.12
Capital work-in-progress	3	6,432.85	3,674.55
Investment property	4	2,346.01	1,094.59
Intangible assets	5	50.12	58.65
Financial assets			
Investments	6	341.16	329.67
Trade receivables	7	400.59	1,080.01
Other financial assets	8	284.83	1,596.59
Non-current tax assets (net)		-	625.92
Other non-current assets	9	1,914.84	3,978.96
Total non-current assets		48,601.38	44,792.06
2 Current assets			
Inventories	10	55,419.00	41,774.56
Financial assets			
Trade receivables	11	18,404.12	22,648.73
Cash and cash equivalents	12	3,470.24	4,823.80
Bank balances other than cash and cash equivalents	13	1,543.41	1,302.76
Loans	14	167.01	144.18
Other financial assets	15	956.75	324.42
Other current assets	16	7,531.03	12,167.05
Total current assets		87,491.56	83,185.50
Assets classified as held for sale	17	1,184.13	1,082.30
TOTAL ASSETS		137,277.07	129,059.86
II EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	18	2,244.15	2,244.15
Other equity	19	97,662.98	88,025.59
Equity attributable to owners		99,907.13	90,269.74
Non-controlling interests		41.76	29.65
Total equity		99,948.89	90,299.39
2 Liabilities			
(i) Non-current liabilities			
Financial liabilities			
Borrowings	20	186.22	74.93
Lease liabilities	21	2,012.25	1,016.86
Other financial liabilities	22	804.06	25.05
Deferred tax liabilities (Net)	23	691.48	1,269.44
Provisions	24	1,495.86	2,219.80
Total non-current liabilities		5,189.87	4,606.08
(ii) Current liabilities			
Financial liabilities			
Borrowings	25	9,384.98	11,298.69
Lease liabilities	26	344.83	303.81
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	27	146.62	158.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,505.74	9,652.24
Other financial liabilities	28	4,942.54	2,911.69
Other current liabilities	29	10,944.86	8,881.43
Provisions	30	685.66	948.27
Current tax liabilities (net)		183.08	-
Total current liabilities		32,138.31	34,154.39
TOTAL EQUITY AND LIABILITIES		137,277.07	129,059.86
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these consolidated financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No: 043334

Place : Mumbai
Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai
Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai
Date : 29 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Note No.	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
Continuing operations			
Revenue from operations	31	127,449.09	169,882.81
Other income	32	544.76	1,360.88
Total Income		127,993.85	171,243.69
Expenses:			
Cost of materials consumed	33	75,590.98	82,482.29
Purchases of stock-in-trade	34	2,453.12	6,076.95
Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(4,959.96)	618.37
Employee benefits expense	36	11,002.04	10,053.45
Finance costs	37	1,112.45	1,063.91
Depreciation and amortisation	2,4 & 5	3,954.89	3,503.03
Other expenses	38	27,932.41	31,128.80
Total Expenses		117,085.93	134,926.80
Profit before foreign exchange variation gain / (loss), exceptional items and tax		10,907.92	36,316.89
Foreign exchange variation gain / (loss)		670.56	(327.89)
Profit before exceptional items and tax		11,578.48	35,989.00
Exceptional items (loss)/ gain (net)	39	(2,106.72)	1,147.56
Profit before tax from continuing operations		9,471.76	37,136.56
Tax expense / (credit)			
Current tax	40	2,470.01	7,173.99
Deferred tax		(587.36)	3,509.65
		1,882.65	10,683.64
Profit after tax from continuing operations		7,589.11	26,452.92
Discontinued operations			
Profit from discontinued operations before tax	48	-	62.00
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax		-	62.00
Profit after tax from total operations		7,589.11	26,514.92
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss (net of tax)	41	71.44	260.30
(b) Items that will be reclassified to profit or loss (net of tax)		2,774.40	1,034.42
Total other comprehensive income (net of tax)		2,845.84	1,294.72
Total comprehensive income for the year		10,434.95	27,809.64
Net profit / (loss) for the year attributable to:			
Equity shareholders of the Holding Company		7,614.33	26,519.46
Non-controlling interests		(25.22)	(4.54)
Total comprehensive income / (loss) for the year attributable to:		10,460.17	27,814.18
Equity shareholders of the Holding Company		(25.22)	(4.54)
Non-controlling interests			
Earnings per share:			
Basic & Diluted (in ₹)	52		
(i) Continuing operations		6.79	23.58
(ii) Discontinued operations		-	0.06
(iii) Total operations		6.79	23.64
Face value per share (in ₹)		2.00	2.00
Significant accounting policies and other explanatory information	1		

The accompanying notes are an integral part of these consolidated financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013
Murad D. Daruwalla
Partner
Membership No: 043334

For and on behalf of the Board of Directors

Puneet Khurana
Managing Director
DIN: 00004074
Place : Mumbai
Date : 29 May 2023
Sanjiv Kapur
Chief Financial Officer

Ghanshyam Karkera
Director
DIN: 00001829
Place : Mumbai
Date : 29 May 2023
Vishal Totla
Company Secretary
Membership No: A26757
Place : Mumbai
Date : 29 May 2023

Place : Mumbai
Date : 29 May 2023

Place : Mumbai
Date : 29 May 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
A. Cash flow from operating activities		
Profit before tax from :		
Continuing operations	9,471.76	37,136.56
Discontinued operations	-	62.00
Adjustments for :		
Excess provision written back	(0.23)	(56.02)
Bad debts written off	450.73	240.42
Liabilities no longer required written back	(59.33)	(267.26)
Provision for doubtful debts	423.62	61.84
Excess provision written back of inventories	(15.91)	(114.44)
Government grant accrued in respect of forgivable loan	-	(1,691.27)
Unrealised foreign exchange variation (gain) / loss	(644.72)	1,012.66
Depreciation and amortisation	3,954.89	3,503.03
Impairment on property, plant and equipment and capital work-in-progress	288.84	543.71
Loss on sale of property, plant and equipment (net)	246.32	113.16
Reversal of provision for contingencies	(176.34)	-
Penalty towards non-fulfilment of contract	1,994.22	-
Lease rent income	(123.09)	(100.00)
Interest income	(121.01)	(111.33)
Gain on redemption of investment in mutual fund	-	(45.62)
Finance costs	1,112.45	1,063.91
Operating profit before working capital changes	16,802.20	41,351.35
Adjustment for :		
(Increase) / decrease in trade and other receivables	9,858.49	(12,011.53)
(Increase) in inventories	(11,511.72)	(11,405.85)
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	(2,883.30)	6,185.68
Cash generated from operating activities	12,265.67	24,119.65
Direct taxes paid (net of refunds)	(1,658.28)	(7,695.74)
Net cash generated from operating activities (A)	10,607.39	16,423.91
B. Cash flow from investing activities		
Inflow:		
Lease rent income	123.09	100.00
Interest income received	91.95	90.72
Gain on redemption of investment in mutual fund	-	45.62
Fixed deposits matured (net)	232.80	7.58
Sale proceeds of property, plant and equipment	87.85	113.61
Received from liquidator (Discontinued operation)	-	1,951.00
	535.69	2,308.53
Outflow:		
Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	8,315.94	8,180.44
Fixed deposits placed	86.16	64.27
	8,402.10	8,244.71
Net cash used in investing activities (B)	(7,866.41)	(5,936.18)

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
C. Cash flow from financing activities		
Inflow:		
Proceeds from current borrowings	2,039.82	-
Proceeds from non-current borrowings	71.89	-
Proceeds from issue of equity shares to non-controlling interests	-	36.07
	<u>2,111.71</u>	<u>36.07</u>
Outflow:		
Repayment of non-current borrowings	357.90	2,863.53
Repayment of current borrowings (excluding current maturities of non-current borrowings)	3,767.08	4,269.92
Finance costs paid	973.19	1,453.95
Amount paid to Parent Company as liquidation proceeds (Discontinued operation)	-	1,951.00
Dividend Paid	785.45	336.67
Cash payments for interest portion of lease liabilities	105.96	86.49
Cash payments for principal portion in financing activities	382.99	373.85
	<u>6,372.57</u>	<u>11,335.41</u>
Net cash used in financing activities (C)	<u>(4,260.86)</u>	<u>(11,299.34)</u>
D. Effect of changes in exchange rates for cash and cash equivalents (D)	<u>166.32</u>	<u>17.42</u>
Net (decrease) in cash and cash equivalents (A+B+C+D)	<u>(1,353.56)</u>	<u>(794.19)</u>
Add: Cash and cash equivalents at the beginning of the year	4,823.80	5,617.99
Cash and cash equivalents at the end of the year - total operations [Refer note 12]	<u>3,470.24</u>	<u>4,823.80</u>
Cash and cash equivalents as per above comprises of the following:		
Cash on hand	43.95	40.68
Balances with banks	3,426.29	4,783.12
Cash and cash equivalents at the end of the year	<u>3,470.24</u>	<u>4,823.80</u>

Notes:

- (i) Figures in brackets represent cash outflow.
- (ii) The above Consolidated Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows.

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No: 043334

Place : Mumbai

Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023****Equity share capital**

(₹ in lakhs)

	Note No.	Number of shares	Amount
As at 1 April 2021	18	112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2022		112,207,682	2,244.15
Changes in equity share capital		-	-
As at 31 March 2023		112,207,682	2,244.15

Other equity

(₹ in lakhs)

	Reserves and surplus			Other reserves		Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Equity Instruments at fair value through other comprehensive income		
Opening balance as at 1 April 2021	24,789.64	7,491.00	24,861.59	3,174.88	265.11	-	60,582.22
Transactions during the year							
Net profit / (loss) for the year	-	-	26,519.46	-	-	(4.54)	26,514.92
Dividend for the Year 2020-21	-	-	(336.62)	-	-	-	(336.62)
Other comprehensive income / (loss) for the year	-	-	249.58	1,034.42	6.18	-	1,290.18
Adjustment on acquisition of non-controlling interests [Refer note 50(a)(ii)]	-	-	(29.65)	-	-	34.19	4.54
Closing balance as at 31 March 2022	24,789.64	7,491.00	51,264.36	4,209.30	271.29	29.65	88,055.24
Transactions during the year							
Net profit / (loss) for the year	-	-	7,614.33	-	-	(25.22)	7,589.11
Dividend for the Year 2021-22	-	-	(785.45)	-	-	-	(785.45)
Other comprehensive income for the year	-	-	37.62	2,774.40	8.60	-	2,820.62
Adjustment on acquisition of non-controlling interests	-	-	(12.11)	-	-	37.33	25.22
Closing balance as at 31 March 2023	24,789.64	7,491.00	58,118.75	6,983.70	279.89	41.76	97,704.74

The accompanying notes are an integral part of these consolidated financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No: 043334

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

Place : Mumbai

Date : 29 May 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1:

Significant accounting policies and other explanatory information

1. Group information

Everest Kanto Cylinder Limited (the 'Company' or the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group') are engaged in the manufacture of high-pressure seamless gas cylinders and other cylinders, equipments, appliances and tanks with their parts and accessories, used for containing and storage of natural gas and other gases, liquids and air. Further, the Group is also engaged in dealing of coal-based methane gas and liquified petroleum gases, etc. and trading of fire extinguishment and related equipment and castor oil. The registered and corporate office of the Holding Company is situated at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400021, Maharashtra, India. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

2. Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements of the Group have been consolidated using uniform accounting policies.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- 1) Certain financial assets and liabilities that are measured at fair value;
- 2) Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- 3) Defined benefit plans - plan assets measured at fair value.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the entity's normal operating cycle and other criteria set out in Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to two decimals of the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3. Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Holding Company. They are deconsolidated from the date control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line by adding together like items of assets, liabilities, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

b) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated statement of profit and loss, and the Group's share of other comprehensive income/(loss) of the investee in other comprehensive income/(loss).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 10 below.

4. Use of estimates and judgments

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialized. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

5. Property, plant and equipment (including capital work-in-progress)

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount

of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the year in which they are incurred.

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

On transition to Ind AS, the Group had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at historical cost. Capital Work-in-progress includes expenditure incurred till the assets are put into intended use. Capital Work-in-Progress are measured at cost less accumulated impairment losses, if any.

Depreciation:

- i. Depreciation on the property, plant and equipment of the Holding Company, Calcutta Compressions and Liquefaction Engineering Limited and EKC International FZE, subsidiaries of the Holding Company have been provided on the straight line method as per the useful life prescribed in Schedule II to the Act, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the assets has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and equipment: 8 to 30 years

Gas cylinders: 25 years

Significant components of each of the individual assets are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset.

In respect of certain foreign subsidiaries, depreciation has been charged on pro-rata basis at the rates and methods as prescribed in the respective local regulations of the country of incorporation, which generally represents useful life of these assets.

- ii. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

or upto the date of such sale/disposal as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

6. Intangible Assets

Intangible assets are stated at cost net of accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

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

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

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Group had elected to continue with carrying value of all its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

7. Investment properties

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

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

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

Non- Factory Building	60 years
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Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

8. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use assets is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Group and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date of lease, the Group measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or consolidated statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in consolidated statement of profit and loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

Group as a lessor

Leases for which the Group is a lessor, classified as finance or operating lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the consolidated balance sheet based on their nature.

9. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

10. Inventories

- a. The inventories resulting from intra-group transactions are stated at cost after deducting unrealised profit on such transactions;
- b. Raw Materials and components, Work-in-progress, finished goods and Stock-in-trade are valued at lower of cost and net realisable value;
- c. Goods in transit are stated 'at cost';
- d. Other inventories are stated 'at cost or net realisable value', whichever is lower;
- e. 'Cost' includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating output. Cost formulae used is 'First in First Out' as applicable.

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

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

11. Investments and financial assets
Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, it will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

Measurement

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in consolidated statement of profit and loss.

Measurement of Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

- (a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interests are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (b) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Changes in the fair value of financial assets at FVTPL are recognised in other gain / (losses) in the consolidated statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income (FVOCI) are not reported separately from other changes in fair value.

Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or;
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership

of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

12. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its fair value less costs of disposal and its value in use. Impairment loss is recognised in the consolidated statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

13. Asset classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

An impairment loss is recognised during initial recognition or subsequent written down of the assets to the fair value less cost to sell of an asset. A gain is recognised for any subsequent increase in the fair value less cost to sell of an asset but not in excess of cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets held for sale are presented separately from the other assets in the consolidated balance sheet.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

14. Segment Reporting

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

15. Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference. Subsequently, all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit and loss. The gain / (loss) is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

16. Borrowing costs

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

17. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the current market assessments of time value of money and the risks specific

to the liability. The increase in the provision due to passage of time is recognised as interest expense. The provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are not recognised in the consolidated financial statements. However, it is recognised when an inflow of economic benefits is probable.

18. Revenue recognition

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers, at an amount that reflects the consideration expected to be received by the Group in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and returns, etc., if any.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- ii. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period upto 30-60 days from the shipment or delivery of goods as the case may be. Consideration are determined based on its most likely amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Revenue from shipping and handling services are recognised over the period of time on the basis of satisfaction of performance obligation.

In case of revenue from long term contracts, contract revenue is matched with the contract costs incurred in reaching the stage of completion, which is an output method of revenue recognition, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately in the consolidated statement of profit and loss. Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

Export benefits are recognised in the year of export when right to receive the benefit is established and conditions attached to the benefits are satisfied.

Trade Receivable:

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

19. Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend is recognised in consolidated statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

20. Employee Benefits

A) Short-term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

B) Post-employment obligations

i. Defined contribution plans: Group's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.

ii. Gratuity: Certain entities within the Group have computed their liability towards future payments of gratuity to employees, on actuarial valuation basis, using Projected Unit Credit Method and the charge for current year is debited to the consolidated statement of profit and loss. Actuarial gains and losses arising on the measurement / remeasurement of defined benefit obligation is charged / credited to other comprehensive income. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

iii. Compensated absences: Accumulated compensated absences, which are expected to be availed or encased within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encased beyond 12 months from the end of the year are treated as other long-term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the consolidated statement of profit and loss in the year in which they arise. Employees generally have an unconditional right to avail the accumulated leaves, however there are certain circumstances which also gives a right to the Company to defer the employee's leave (for example: Company's right to postpone/ deny the leave, restriction to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

avail leave in the next year for a maximum number of days etc.). Thus, for the bifurcation of provision between current and non-current, actuarial services are availed.

Retirement Plans (CP Industries Holdings Inc.):

This subsidiary has a non-contributory defined benefit pension plan covering all union employees hired prior to 1 June 2006. The benefits are based on years of services and the applicable compensation levels under the plan. Its funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in the future.

It also has two 401(k) savings plans which cover substantially all union and non-union employees. For both plans, the subsidiary matches a percentage of the employees' contributions up to the maximum level.

- C) Termination Benefits:** These are recognised as an expense in the consolidated statement of profit and loss of the year in which they are incurred.

21. Foreign currency transactions and translations

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

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gain or loss arising on their settlement and restatement are recognised in the consolidated statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated.

For the purpose of consolidation, the amounts appearing in foreign currencies in the financial statements of the foreign

subsidiaries are translated at the following rates of exchange:

- i. assets and liabilities are translated at the closing rate at the date of the balance sheet; and
- ii. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions).

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

22. Income tax

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Holding Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax is accounted in full, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of profit and loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The Holding Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

23. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to income are deferred and recognised in the consolidated statement of profit and loss over the period necessary to match them with the cost they are intended to compensate, and presented within other income.

Grant relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to consolidated statement of profit and loss on straight-line basis over the expected lives of the related assets, and presented within other income.

24. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year. The weighted average number

of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders of the Holding Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Basic and diluted earnings per share are disclosed separately for continuing and discontinued operations.

25. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

26. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

27. Exceptional items

When items of income and expense within consolidated statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(a) Standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend IND AS 12-Income Taxes and IND AS 1-Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have any material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(ab) Critical estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires estimates and assumptions to be made by the Group's management of the Company that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Group's management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the year in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(i) Estimated useful life of property, plant and equipment, intangible assets, and investment property:

The Group reviews the useful lives of property, plant and equipment, Investment properties and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortization expense in future periods.

(ii) Impairment of carrying value of property, plant and equipment, capital work-in-progress, intangible assets and investment property:

The recoverable amount of property plant and equipment, capital work-in-progress is based on estimates and assumptions regarding the expected Depreciated Replacement Cost (DRC) method under Cost Approach. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

(iii) Fair value less cost to sell for assets classified as held for sale:

The fair valuation of the investment property is determined using 'Sales Comparison Method' under Market Approach using composite rate of commercial offices by comparing the investment property with similar properties that have recently been sold near the location of investment property. Comparable properties are selected for similarity to the subject property by considering attributes

like age, size, shape, quality of construction, building features, condition, design, etc.

(iv) Estimation of current tax expenses and recognition of deferred tax assets:

The Company calculates income tax expense based on reported income and estimated exemptions / deduction likely available to the Company. Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

(v) Probable outcome of matters included under contingent liabilities:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(vi) Provision for doubtful debts:

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

(vii) Estimation of Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

(viii) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
2 Property, plant and equipment (PPE)

												Right of Use Assets		(₹ in lakhs)
	Freehold land	Buildings [Refer note (ii) and (vi) below]	Plant and equipment [Refer note (iv) and (v) below]	Furniture and fixtures	Vehicles [Refer note (iii) below]	Office equipment	Com-puters	Gas Cylinders	Gas Cylinders given on lease	Electrical Installations	Leasehold land [Refer note (i) below]	Build-ings	Total	
Gross carrying amount														
Balance as at 1 April 2021	872.72	18,681.59	58,045.38	771.51	1,030.74	321.90	1,229.55	542.65	522.67	1,279.71	268.75	2,086.03	85,653.20	
Additions	568.59	240.64	4,601.76	174.85	310.24	24.27	27.69	-	-	29.82	-	-	5,977.86	
Disposals	-	-	1,530.19	-	59.25	-	1.74	263.20	-	-	-	5.11	1,859.49	
Foreign currency translation adjustments	20.11	347.03	898.54	16.96	19.38	1.92	12.39	-	16.37	19.75	-	56.10	1,408.55	
Balance as at 31 March 2022	1,461.42	19,269.26	62,015.49	963.32	1,301.11	348.09	1,267.89	279.45	539.04	1,329.28	268.75	2,137.02	91,180.12	
Additions	2,287.93	482.99	5,123.20	112.89	247.26	39.56	92.95	-	3.27	40.83	-	1,236.32	9,667.20	
Disposals	568.59	26.23	1,862.10	30.63	207.24	74.10	17.16	-	-	-	-	-	2,786.05	
Asset classified as investment property	-	1,383.68	-	-	-	-	-	-	-	-	-	-	1,383.68	
Assets classified from held for sale [Refer note (v) below]	-	-	126.55	-	-	-	-	252.02	-	-	-	-	378.57	
Foreign currency translation adjustments	57.76	987.84	2,592.30	54.03	65.64	6.14	36.76	-	45.65	54.99	-	147.14	4,048.25	
Balance as at 31 March 2023	3,238.52	19,330.18	67,742.34	1,099.61	1,406.77	319.69	1,380.44	27.43	587.96	1,425.10	268.75	3,520.48	100,347.27	
Accumulated depreciation / amortisation														
Balance as at 1 April 2021	-	6,786.39	44,223.32	513.52	462.13	278.08	1,119.52	338.61	62.68	944.43	162.11	700.05	55,590.84	
Depreciation / amortisation charge for the year	-	592.53	2,226.40	48.17	140.80	15.68	30.65	6.53	31.87	23.00	1.29	336.26	3,453.18	
Disposals	-	-	1,387.31	-	50.31	-	1.66	170.20	-	-	-	-	1,609.48	
Impairment	-	-	402.88	-	-	-	-	-	-	-	-	-	402.88	
Foreign currency translation adjustments	-	143.49	771.53	10.28	9.42	1.72	11.34	-	2.52	13.96	-	25.31	989.57	
Balance as at 31 March 2022	-	7,522.41	46,236.82	571.97	562.04	295.48	1,159.85	174.94	97.07	981.39	163.40	1,061.62	58,826.99	
Depreciation / amortisation charge for the year	-	637.41	2,568.66	62.74	158.57	18.06	33.60	6.30	32.75	26.50	1.29	344.35	3,890.23	
Disposals	-	5.60	1,593.09	29.10	113.93	71.26	16.30	-	-	-	-	(8.09)	1,821.19	
Impairment	-	-	237.91	-	-	-	-	-	-	-	-	-	237.91	
Asset classified as investment property	-	95.75	-	-	-	-	-	-	-	-	-	-	95.75	
Assets classified as held for sale [Refer note (v) below]	-	-	112.84	-	-	-	-	163.89	-	-	-	-	276.73	
Foreign currency translation adjustments	-	434.76	2,197.71	32.21	31.70	5.20	32.89	-	8.97	38.85	-	(27.46)	2,754.83	
Balance as at 31 March 2023	-	8,493.23	49,535.17	637.82	638.38	247.48	1,210.04	17.35	138.79	1,046.74	164.69	1,386.60	63,516.29	
Net carrying amount														
As at 31 March 2022	1,461.42	11,746.85	15,778.67	391.35	739.07	52.61	108.04	104.51	441.97	347.89	105.34	1,075.40	32,353.12	
As at 31 March 2023	3,238.52	10,836.95	18,207.17	461.79	768.39	72.21	170.40	10.08	449.17	378.36	104.06	2,133.88	36,830.98	

Notes :

- Execution of lease deed is pending for two land parcels acquired at Tarapur Plant having gross carrying value ₹111.42 lakhs (31 March 2022: ₹111.42 lakhs).
- Includes ₹ 750 (31 March 2022: ₹ 750) paid for shares acquired by Holding Company in co-operative societies.
- As at 31 March 2023, certain vehicle was in the personal name of directors of the Holding Company having gross carrying amount of ₹ 40 lakhs (31 March 2022: ₹ 40 lakhs) and net carrying amount of ₹ 2 lakhs (31 March 2022: ₹ 6.72 lakhs).
- The assets of the Holding Company include certain plant and equipment (including capital work-in-progress) having net carrying amount of ₹ 2,114.25 lakhs (includes CWIP of ₹ 307.34 lakhs as at 31 March 2023 (31 March 2022: ₹ 1,073.50 lakhs)) as at 31 March 2023 (31 March 2022: ₹ 4,258.57 lakhs), which have remained idle for a considerable period due to contraction in demand. Accordingly, management has performed impairment test on these assets and have recorded an impairment provision of ₹ 288.84 lakhs (includes impairment on CWIP of ₹ 50.93 lakhs for the current year) (31 March 2022: ₹ 402.88 lakhs (including impairment on CWIP of ₹ 140.83 lakhs)). Refer note 3 for CWIP.

Recoverable amount of the asset is derived by reducing cost of disposal from fair value. The aforesaid impairment loss is disclosed under exceptional items (Refer note 39).

Details of valuation:

- Level of the fair value hierarchy – Level 3.
 - Description of the valuation technique – Depreciated Replacement Cost (DRC) method under Cost Approach.
 - Key assumptions – Salvage value, costs of disposal, latest quotations with same / similar specifications, economic indices as per Reserve Bank of India, etc.
- During the year ended 31 March 2023, certain plant and equipment (including CNG cascades) of the Holding Company, having written down value of ₹ 101.84 lakhs (₹ 40.77 lakhs as at 31 March 2022) has been additionally classified as 'Assets classified as held for sale', pursuant to the decision of the Holding Company to dispose off the same.
 - During the current year, buildings having net carrying amount as at 31 March 2023 of ₹ 1,287.93 lakhs fulfills the criteria given in Ind AS 40, Investment Property, and accordingly, have been transferred to Investment Property by the Holding Company.
 - Disclosure of contractual commitments for the acquisition of property, plant and equipment [Refer note 46(B)].
 - Information on property, plant and equipment pledged as security by the Company [Refer note 56].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
3 Capital work in progress (CWIP)

(₹ in lakhs)

	Total
Gross carrying amount	
Balance as at 1 April 2021	4,635.93
Additions / Transfer of assets [Refer note (i) below]	1,279.60
Capitalised during the year	2,126.16
Impairment [Refer note 2(iv)]	140.83
Foreign currency translation adjustments	26.01
Balance as at 31 March 2022	3,674.55
Additions	7,350.92
Capitalised during the year	4,595.82
Impairment [Refer note 2(iv)]	50.93
Foreign currency translation adjustments	54.13
Balance as at 31 March 2023	6,432.85
Net carrying amount	
As at 31 March 2022	3,674.55
As at 31 March 2023	6,432.85

Capital work in progress - ageing schedule
As at 31 March 2023

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	*More than 3 years	
Projects in progress	3,090.45	618.77	1,270.74	1,452.90	6,432.86
Projects temporarily suspended	-	-	-	-	-

* The Company shall utilise these plant and machineries in current and future projects.

As at 31 March 2022

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	*More than 3 years	
Projects in progress	891.53	1,273.35	37.55	1,612.95	3,815.38
Projects temporarily suspended	-	-	-	-	-

* The Company shall utilise these plant and machineries in current and future projects.

Note:

- (i) During the year ended 31 March 2022, factory building and certain other CWIP at Aurangabad, amounting to ₹ 767.68 lakhs, had been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to put-up the same for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Investment property

(₹ in lakhs)

	Buildings	Total
Gross carrying amount		
Balance as at 1 April 2021	1,116.08	1,116.08
Additions	-	-
Disposals	-	-
Balance as at 31 March 2022	1,116.08	1,116.08
Transfer from PPE [Refer note 2(vi)]	1,287.93	1,287.93
Disposals	-	-
Balance as at 31 March 2023	2,404.01	2,404.01
Accumulated depreciation		
Balance as at 1 April 2021	1.55	1.55
Depreciation charge for the year	19.94	19.94
On disposals	-	-
Balance as at 31 March 2022	21.49	21.49
Depreciation charge for the year	36.51	36.51
On disposals	-	-
Balance as at 31 March 2023	58.00	58.00
Net carrying amount		
As at 31 March 2022	1,094.59	1,094.59
As at 31 March 2023	2,346.01	2,346.01

Fair value

As at 31 March 2022

1,552.50

As at 31 March 2023

2,722.97

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income derived from investment property [Refer note 32]	123.09	100.19
Direct operating expenses (including repairs and maintenance) for generating rental income	-	-
Income arising from investment property before depreciation	123.09	100.19
Depreciation charge for the year	36.51	19.94
Income arising from investment property (Net)	86.58	80.25

Premises given on operating lease:

For current year, the Company has two non-factory building premises on operating lease. These lease arrangements are for a period of 5 and 9 years and is a cancellable lease. The lease is renewable for further period on mutually agreeable terms.

For previous year, the Company had given single non-factory building premises on operating lease for term of 9 years and was cancellable lease.

The total future minimum lease rentals receivable at the balance sheet date is as under:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
For a period not later than one year	133.12	102.69
For a period later than one year and not later than five years	553.84	440.83
For a period later than five years	90.92	436.24

Estimation of fair value

The Company obtains independent valuations atleast annually. The fair valuation of the investment property have been determined by registered independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, using 'Sales Comparison Method' under Market Approach using composite rate of commercial offices by comparing the investment property with similar properties that have recently been sold near the location of investment property. Comparable properties are selected for similarity to the subject property by considering attributes like age, size, shape, quality of construction, building features, condition, design, etc. The fair value measurement is categorised as level 3 fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
5 Intangible assets

(₹ in lakhs)

	Computer Software	Total
Gross carrying amount		
Balance at 1 April 2021	485.54	485.54
Additions	8.93	8.93
Disposals	-	-
Foreign currency translation adjustments	6.90	6.90
Balance at 31 March 2022	501.37	501.37
Additions	18.19	18.19
Disposals	-	-
Foreign currency translation adjustments	(18.89)	(18.89)
Balance at 31 March 2023	538.45	538.45
Accumulated amortisation		
Balance as at 1 April 2021	413.08	413.08
Amortisation charge for the year	29.91	29.91
On disposals	-	-
Foreign currency translation adjustments	(0.27)	(0.27)
Balance as at 31 March 2022	442.72	442.72
Amortisation charge for the year	28.15	28.15
On disposals	-	-
Foreign currency translation adjustments	(17.46)	(17.46)
Balance as at 31 March 2023	488.33	488.33
Net carrying amount		
As at 31 March 2022	58.65	58.65
As at 31 March 2023	50.12	50.12

6 Non-current investments

(₹ in lakhs)

	Face value of shares	As at 31 March 2023		As at 31 March 2022	
		Quantity (Number)	₹ in Lakhs	Quantity (Number)	₹ in Lakhs
Investments in equity shares (Unquoted, fully paid-up)					
Equity investments measured at fair value through other comprehensive income					
Everest Kanto Investment & Finance Private Limited	INR 10	115,000	331.60	115,000	320.11
GPT Steel Industries Private Limited	INR 10	2,000,000	-	2,000,000	-
Tarapur Environment Protection Society	INR 100	5,852	9.56	5,852	9.56
Total non-current investments			341.16		329.67
Aggregate amount of unquoted investments			341.16		329.67
Aggregate amount of impairment in value of investments			-		-

Refer note 42 and 43 for information about fair value measurement, credit risk and market risk of investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
7 Trade receivables (non - current)		
Trade receivables	400.59	1,080.01
Less : Provision for doubtful debts	-	-
Total	<u>400.59</u>	<u>1,080.01</u>
Break up of security details: Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	400.59	1,080.01
- Significant increase in credit risk	-	-
- Credit impaired	-	-
Less : Impairment allowance		
- Allowance for expected credit loss	-	-
- Credit impaired	-	-
Total	<u>400.59</u>	<u>1,080.01</u>
Refer note 43 for information about credit risk and market risk of trade receivables. For ageing disclosure, Refer note 11.		
8 Other non-current financial assets		
Unsecured, considered good		
Deposits maturing over 12 months*	17.60	386.19
Receivable from sale of subsidiary [Refer note 15]	-	964.63
Security deposits		
- Unsecured, considered good	267.23	245.77
- Significant increase in credit risk	-	-
- Credit impaired	239.00	239.00
Less : Impairment allowance		
- Credit impaired	(239.00)	(239.00)
Total	<u>284.83</u>	<u>1,596.59</u>
*Held as lien by bank against bank guarantees amounting to ₹ 17.42 lakhs (₹ 384.83 lakhs as at 31 March 2022). Refer note 43 for information about credit risk and market risk for other non-current financial assets.		
9 Other non-current assets		
Capital advances	1,899.84	3,963.96
Deposits with government authorities	15.00	15.00
Total	<u>1,914.84</u>	<u>3,978.96</u>
10 Inventories		
Raw materials and components	27,969.36	19,670.94
Raw materials and components - in transit	3,534.62	4,215.71
Less: Provision for diminution in value [Refer note 33]	(527.83)	(315.70)
	<u>30,976.15</u>	<u>23,570.95</u>
Work-in-progress	16,627.52	13,349.00
Less: Provision for diminution in value [Refer note 35]	(1,395.81)	(699.28)
	<u>15,231.71</u>	<u>12,649.72</u>
Finished goods	8,195.06	4,180.26
Finished goods - In transit	-	471.55
Less: Provision for diminution in value [Refer note 35]	(1.65)	-
	<u>8,193.41</u>	<u>4,651.81</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
Stock-in-trade	985.48	874.90
Stores and spares	32.25	27.18
Total	<u>55,419.00</u>	<u>41,774.56</u>
<p>Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Write-downs of inventories amounted to ₹ 1,925.29 lakhs as at 31 March 2023 (as at 31 March 2022 - ₹ 1,014.98 lakhs). These write-downs were recognised as an expense and included in 'Cost of materials consumed' and 'Changes in inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.</p>		
11 Trade receivables (current)		
Trade receivables [Refer note 45]	20,770.75	24,547.17
Less : Provision for doubtful debts	(2,366.63)	(1,898.44)
Total	<u>18,404.12</u>	<u>22,648.73</u>
Break up of security details: Trade receivables		
- Secured, considered good	-	-
- Unsecured, considered good	18,453.81	22,648.73
- Significant increase in credit risk	-	-
- Credit impaired	2,316.94	1,898.44
Less : Impairment allowance		
- Allowance for expected credit loss	(49.69)	(75.83)
- Credit impaired	(2,316.94)	(1,822.61)
Total	<u>18,404.12</u>	<u>22,648.73</u>

Refer note 43 for information about credit risk and market risk of trade receivables.

Trade receivables - As at 31 March 2023

(₹ in lakhs)

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	17,669.59	651.20	268.08	53.11	212.43	18,854.41
Undisputed trade receivables - significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables credit impaired	267.67	-	179.44	4.42	1,865.41	2,316.94
Less: Allowance for expected credit loss (including credit impaired)						(2,366.63)
Trade receivables (net)						18,804.72

Trade receivables - As at 31 March 2022

(₹ in lakhs)

	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	22,906.22	688.26	210.09	-	-	23,804.57
Undisputed trade receivables - significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	34.34	82.51	1,705.76	1,822.61
Less: Allowance for expected credit loss (including credit impaired)						(1,898.44)
Trade receivables (net)						23,728.74

** There are no disputed trade receivables as at 31 March 2023 and 31 March 2022.

* The above ageing disclosure includes non-current trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
12 Cash and cash equivalents		
Balances with banks		
- In current accounts	3,426.29	4,783.12
Cash on hand	43.95	40.68
Total	<u>3,470.24</u>	<u>4,823.80</u>
There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the year.		
13 Bank balances other than cash and cash equivalents		
Margin money against guarantees and working capital facilities [Refer Note (i) below]	1,402.96	1,181.81
Margin money against letters of credit [Refer Note (ii) below]	137.78	120.00
Earmarked balances - unpaid dividend accounts	2.67	0.95
Total	<u>1,543.41</u>	<u>1,302.76</u>
Notes:		
(i) Held as lien by bank against bank guarantees issued in favour of the Holding Company amounting to ₹ 3,337.06 lakhs (₹ 2,840.36 lakhs as at 31 March 2022).		
(ii) Held as lien by bank against letters of credit issued in favour of the Holding Company amounting to ₹ 457.19 lakhs (₹ 1,672.85 lakhs as at 31 March 2022)		
14 Current loans		
Unsecured, considered good, unless otherwise stated		
Inter-corporate deposit	62.54	57.00
Others	104.47	87.18
Total	<u>167.01</u>	<u>144.18</u>
Break up of loan receivables		
- Considered good	167.01	144.18
- Significant increase in credit risk	-	-
- Credit impaired	-	-
Total	<u>167.01</u>	<u>144.18</u>
Refer note 43 for information about credit risk and market risk for loans.		
Note :		
Disclosure as per Section 186 of the Companies Act, 2013.		
Hubtown Limited		
Balance as at the year end	62.54	57.00
Maximum amount outstanding at any time during the year.		
[The loan has been provided for working capital requirements and business purposes (rate of interest - 15% p.a.)]	62.54	57.00
15 Other current financial assets		
Unsecured, considered good		
Advances and deposits recoverable*	289.22	256.44
Interest receivable:		
- Bank	79.37	57.34
Security deposits	7.64	10.64
Receivable against sale of Share [Refer note 30(i)]	580.52	-
Total	<u>956.75</u>	<u>324.42</u>
Note:		
*Includes ₹ 10 lakhs (31 March 2022: ₹ 10 lakhs), a security deposit to a private company in which directors of the Holding Company are directors / members. [Refer Note 45].		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
16 Other current assets		
Advances other than capital advances		
- Advances paid to suppliers	5,986.65	11,328.86
- Prepaid expenses	253.49	553.12
- Other advances	-	-
Balance with statutory authorities	1,252.95	246.18
Right to receive inventory	37.94	38.89
Total	<u>7,531.03</u>	<u>12,167.05</u>
17 Assets classified as held for sale		
Freehold land [Refer note (i) below]	273.85	273.85
Buildings [Refer note (ii) below]	767.68	767.68
Plant and Machinery [Refer note (iii) below]	142.60	40.77
Total	<u>1,184.13</u>	<u>1,082.30</u>
Notes :		
(i) During the year ended 31 March 2017, the Holding Company had entered into an agreement towards sale of agricultural land, situated at Gandhidham. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, the agricultural land has been continued as 'Assets classified as held for sale'. The sales consideration and carrying value as at 31 March 2023 of the agricultural land is USD 4 Million and ₹ 273.85 lakhs (31 March 2022: USD 4 Million and ₹ 273.85 lakhs), respectively. An amount of USD 2 Million (equivalent to ₹ 1,320.00 lakhs) received during the year ended 31 March 2017 as an advance against the said agricultural land has been included in Note 29 - 'Other current liabilities'.		
(ii) As at 31st March 2022, building at Aurangabad, which was earlier part of Capital-work-in-progress, having book value ₹ 767.68 lakhs (31 March 2022: ₹ 767.68 lakhs) has been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to dispose off the same. [Refer note 3(i)].		
(iii) During the year ended 31 March 2023, certain plant & machineries having written down value of ₹ 142.60 lakhs (31 March 2022: ₹ 40.77) has been classified as 'Assets classified as held for sale', pursuant to the decision of the Company to dispose off the same. [Refer note 2(v)].		
(iv) Assets classified as held for sale during the year was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.		
18 Equity share capital		
Authorised Share Capital:		
125,000,000 equity shares (31 March 2022 : 125,000,000) of ₹ 2 each	2,500.00	2,500.00
Total	<u>2,500.00</u>	<u>2,500.00</u>
Issued, subscribed and paid-up:		
112,207,682 equity shares (31 March 2022 : 112,207,682) of ₹ 2 each fully paid up	2,244.15	2,244.15
Total	<u>2,244.15</u>	<u>2,244.15</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	As at 31 March 2023		As at 31 March 2022	
	Number	₹ in lakhs	Number	₹ in lakhs
Shares outstanding at the beginning of the year	112,207,682	2,244.15	112,207,682	2,244.15
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	112,207,682	2,244.15	112,207,682	2,244.15

(ii) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to the shareholding.

(iii) Details of shareholders holding more than 5% shares in the Holding Company (Also includes details of shareholding of promoter and promoter's group):

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Khurana Gases Private Limited	17,818,629	15.88	17,818,629	15.88
Ms. Suman Khurana	27,803,749	24.78	15,585,749	13.89
Mr. Prem Kumar Khurana*	-	-	17,018,000	15.17
Mr. Pushkar Khurana	7,503,973	6.69	7,503,973	6.69
Mr. Puneet Khurana	8,205,459	7.31	8,205,459	7.31

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

(iv) Details of shareholders holding by Promoters in the Company:
Shares held by promoters at the end of the year 31 March 2023

Sr. No.	Promoter Name	No of shares at beginning of the year	Change during the year	No of Shares at year end	% of total shares	% change during the year
1	Suman Premkumar Khurana	15,585,749	12,218,000	27,803,749	24.78	78.39
2	Premkumar Dharampal Khurana	12,218,000	(12,218,000)	-	-	(100.00)
3	Puneet Premkumar Khurana	8,205,459	Nil	8,205,459	7.31	Nil
4	Pushkar Premkumar Khurana	7,503,973	Nil	7,503,973	6.69	Nil
5	Premkumar Dharampal Khurana (HUF)	4,800,000	Nil	4,800,000	4.28	Nil
6	Varun Khurana	4,322,000	Nil	4,322,000	3.85	Nil
7	Sonia Khurana	348,333	Nil	348,333	0.31	Nil
8	Nishita Khurana	10,000	Nil	10,000	0.01	Nil
9	Pooja Khurana	1,000	Nil	1,000	0	Nil
10	Khurana Gases Private Limited	17,818,629	Nil	17,818,629	15.88	Nil
11	Medical Engineers India Limited	4,800,000	Nil	4,800,000	4.28	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
Shares held by promoters at the end of the year 31 March 2022

Sr. No.	Promoter Name	No of shares at beginning of the year	Change during the year	No of Shares at year end	% of total shares	% change during the year
1	Suman Premkumar Khurana	15,585,749	Nil	15,585,749	13.89	Nil
2	Premkumar Dharampal Khurana	12,218,000	Nil	12,218,000	10.89	Nil
3	Puneet Premkumar Khurana	8,205,459	Nil	8,205,459	7.31	Nil
4	Pushkar Premkumar Khurana	7,503,973	Nil	7,503,973	6.69	Nil
5	Premkumar Dharampal Khurana (HUF)	4,800,000	Nil	4,800,000	4.28	Nil
6	Varun Khurana	4,322,000	Nil	4,322,000	3.85	Nil
7	Sonia Khurana	348,333	Nil	348,333	0.31	Nil
8	Nishita Khurana	10,000	Nil	10,000	0.01	Nil
9	Pooja Khurana	1,000	Nil	1,000	0	Nil
10	Khurana Gases Private Limited	17,818,629	Nil	17,818,629	15.88	Nil
11	Medical Engineers India Limited	4,800,000	Nil	4,800,000	4.28	Nil

- (v) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2023.

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
19 Other equity		
Securities premium	24,789.64	24,789.64
General reserve	7,491.00	7,491.00
Retained earnings	58,118.75	51,264.36
Equity instruments at fair value through other comprehensive income (FVOCI)	279.89	271.29
Foreign currency translation reserve (FCTR)	6,983.70	4,209.30
Total	97,662.98	88,025.59
(i) Securities premium		
Opening balance	24,789.64	24,789.64
Transactions during the year	-	-
Closing balance	24,789.64	24,789.64
(ii) General reserve		
Opening Balance	7,491.00	7,491.00
Transactions during the year	-	-
Closing balance	7,491.00	7,491.00
(iii) Retained earnings		
Opening Balance	51,264.36	24,861.59
Transactions during the year		
Adjustment on acquisition of non-controlling interests [Refer note 49(b)]	(12.11)	(29.65)
Net profit for the year	7,614.33	26,519.46
Dividend for the year 2021-22 and 2020-21 respectively	(785.45)	(336.62)
Other comprehensive income for the year	37.62	249.58
Closing balance	58,118.75	51,264.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
(iv) Equity instruments at fair value through other comprehensive income		
Opening Balance	271.29	265.11
Transactions during the year		
Other comprehensive income for the year	8.60	6.18
Closing balance	<u>279.89</u>	<u>271.29</u>
(v) Foreign currency translation reserve		
Opening Balance	4,209.30	3,174.88
Transactions during the year		
Other comprehensive income for the year	2,774.40	1,034.42
Closing Balance	<u>6,983.70</u>	<u>4,209.30</u>

Nature and purpose of reserves**Securities premium**

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

General reserve

General reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.

Retained earnings

Retained earnings pertain to the accumulated earnings / losses by the Group over the years.

Equity instruments at fair value through other comprehensive income

The Holding Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within 'Fair value through other comprehensive income - Equity investments' reserve within equity. The Holding Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

20 Non-current borrowings**Secured**

Vehicle loans from banks and a financial institution [Refer note (i) and (ii) below]

Total

186.22

74.93

186.2274.93

[Refer note 43] for liquidity risk and [Refer note 56] for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings.

Notes:**Everest Kanto Cylinder Limited, India****(i) Vehicle loans from bank and financial institutions**

Vehicle loan includes loan outstanding amounting to ₹ 145.24 as at 31 March 2023 has been availed from the financial institution during the year ended 31 March 2023, of which current portion amounting to ₹ 18.24 lakhs has been disclosed under current borrowings. The said loan carries an interest rate of 8.85% per annum and is repayable in 48 monthly instalments starting from July 2022 through June 2026. This loan is secured by hypothecation of underlying vehicle.

Vehicle loan outstanding to financial institution/bank as at 31 March 2023 amounting to ₹ 42.79 lakhs (includes current portion of ₹ 12.45 lakhs shown under current borrowings) (31 March 2022: ₹ 53.93 lakhs (including current portion of ₹ 11.14 lakhs)) is repayable in 48 monthly instalments which commenced from August 2020 with the last instalment falling due in July 2024. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 11.00% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
EKC International FZE, UAE		
(ii) Vehicle loans from banks		
Vehicle loan outstanding as at 31 March 2023 amounting to ₹ 49.04 lakhs (includes current portion of ₹ 20.16 lakhs shown under current borrowings) (31 March 2022: ₹ 50.94 lakhs (includes current portion of ₹ 18.80 lakhs)) is repayable in 60 monthly instalments which commenced from April 2020 with the last instalment falling due in April 2025. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 2.39% per annum.		
21 Non-current lease liabilities		
Lease liabilities [Refer note 53]	2,012.25	1,016.86
Total	<u>2,012.25</u>	<u>1,016.86</u>
Refer note 43 for liquidity risk.		
22 Other non-current financial liabilities		
Security deposits	35.19	25.05
Payable for capital expenditure	768.87	-
Total	<u>804.06</u>	<u>25.05</u>
23 Deferred tax liabilities (net)		
Deferred tax liability on account of :		
Depreciation and amortisation	1,868.39	2,737.04
Equity instruments at fair value through other comprehensive income (FVOCI)	15.80	12.91
	<u>1,884.19</u>	<u>2,749.95</u>
Deferred tax assets on account of :		
Lease liability (net of right-of-use assets) [Refer note 53]	37.33	(8.13)
Provision for doubtful debts / advances / other receivables, etc.	1,006.35	1,327.71
Provision for employee benefits	113.86	115.33
Provision for sales returns	5.61	21.57
Unrealised profits on closing inventory	29.56	24.03
	<u>1,192.71</u>	<u>1,480.51</u>
Deferred tax liabilities (net)	<u>691.48</u>	<u>1,269.44</u>
Deferred income tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments. Accordingly, temporary difference on which deferred tax liability has not been recognised amounts to ₹ 1,418.90 lakhs (31 March 2022: ₹ 4,937.28 lakhs). [Refer note 40(B)].		
24 Non-current provisions		
Provision for employee benefits		
- Compensated absences [Refer note 47]	246.60	251.82
- Post retirement benefits (net of plan assets) [Refer note 47]	1,249.26	1,967.98
Total	<u>1,495.86</u>	<u>2,219.80</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
25 Current borrowings		
Secured		
Working capital facilities from banks* [Refer note (i), (iv), (v), (vi), (vii), (viii) and (xii) below]	9,088.31	7,124.88
Current maturities of non-current borrowings		
Term loans from banks* [Refer note (ix) and (x)] below]	-	337.62
Vehicle loans from banks and a financial institution [Refer note (iii)]	50.85	99.37
Unsecured		
Current maturities of non-current borrowings		
- Loans from related parties [Refer note (ii) below and 45]	-	3,736.82
- Loans from others [Refer note (xi) below]	245.82	-
Total	9,384.98	11,298.69

[Refer note 56] for carrying amount of financial assets and non-financial assets pledged as security for secured borrowings

* Includes interest accrued but not due aggregating ₹ 45.26 lakhs (31 March 2022: ₹ 13.92 lakhs).

Notes :
Everest Kanto Cylinder Limited, India

- (i) Working capital facilities from various banks having an outstanding balance of ₹ 4809.43 lakhs (₹ 4,833.47 lakhs) are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on certain land and buildings and moveable fixed assets of the Company. (iii) secured by personal guarantees from two promoter directors. Working capital facility is also secured by exclusive mortgage charge on specific property to each lender bank. Working capital facilities from a bank has been secured by fixed deposits aggregating ₹ 500 lakhs of the Company, which have been held as lien against this facility. The interest rate of the working capital facilities ranges from 8.95% per annum to 10.60% per annum (31 March 2022 : 8.95% per annum to 13.30% per annum).
- (ii) Unsecured loans from related parties were repaid fully during the year ended 31 March 2023. The loans carried an interest rate of 9% per annum (during year ended March 2022: 9% per annum).
- (iii) Vehicle loan from bank of ₹ 3.08 lakhs outstanding as at 31 March 2022 has been fully repaid during the year. This loan is secured by hypothecation of underlying vehicle and carried a fixed rate of interest of 8.35% per annum.
Vehicle loan from bank of ₹ 66.35 lakhs outstanding as at 31 March 2022 has been fully repaid during the year. This loan is secured by hypothecation of underlying vehicle and carried a fixed rate of interest of 11.75% per annum.
- (iv) The quarterly returns / statements filed by the Holding Company with working capital lending banks are in agreement with the books of account of the Holding Company except, the followings:

Quarter	Name of bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancy
June 2022	SBI Bank, ICICI Bank, HDFC Bank	Inventory	20,930.14	19,586.27	1,343.87	As per regular approach adopted by the Company, 'the overhead rate of the yearly cycle upto the previous quarter' is applied for the inventory valuation of the subsequent quarter due to the time constrain for monthly bank reporting.
September 2022			28,426.01	29,687.47	(1,261.46)	
December 2022			30,357.90	31,369.83	(1,011.93)	
March 2023			25,490.79	25,209.04	281.75	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
EKC International FZE, UAE

- (v) Working capital loan from bank having an outstanding balance of ₹ 333.05 lakhs carry an interest of 3M EIBOR + 5.55% with minimum 6.15% per annum. The said loan are secured by assignment of stock, moveable assets, receivables, lien over fixed deposits and mortgage of residential property in Dubai, U.A.E owned by the director. There was no working capital loan outstanding as at 31 March 2022.
- (vi) Total facilities of AED 34.58 Million from another bank include AED 14.18 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. There was no working capital loan outstanding against the above facilities as at 31 March 2023 and 31 March 2022.
- (vii) Total facilities of AED 7.03 Million are from another bank bearing rate of Interest of 1.1% p.a for overdraft. There was no working capital loan outstanding against this facility as at 31 March 2023 and 31 March 2022.

CP Industries Holdings Inc. USA

- (viii) Working capital loan from bank having an outstanding balance of ₹ 3,945.83 lakhs (31 March 2022: ₹ 2,291.41 lakhs) is secured substantially by all the assets of the company and equity shares of the company, pledged by EKC Hungary Kft (its immediate holding company). The interest rate of the borrowing ranges from 2.25% p.a. to 3.00% p.a. based on quarterly leverage ratios plus the one month SOFR rate approximately 3.75% as at 31 March 2023 (31 March 2022: 3.11% p.a)
- (ix) Term loan from bank having an outstanding balance of ₹ 148.10 lakhs as at 31 March 2022, was fully repaid during the year. The said loan was secured substantially by all the assets of the company and equity shares of the company, pledged by EKC Hungary Kft (its immediate holding company). The interest rate of the borrowing ranged from 2.25% p.a. to 3.00% p.a. based on quarterly leverage ratios plus the one month SOFR rate.
- (x) Delayed term loan from bank having an outstanding balance of ₹ 189.52 lakhs as at 31 March 2022, was fully repaid during the year. The said loan was secured substantially by all the assets of the company and equity shares of the company, pledged by EKC Hungary Kft (its immediate holding company). The interest rate of the borrowing ranged from 2.25% p.a. to 3.00% p.a. based on quarterly leverage ratios plus the one month SOFR rate.

EKC Egypt (S.A.E.), Egypt

- (xi) EKC Egypt, step-down subsidiary of the Holding Company, incorporated during the year, had taken an interest free unsecured loan of ₹ 245.82 lakhs from its shareholder. The said loan is repayable on demand.

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
26 Current lease liabilities		
Lease liabilities [Refer note 53]	344.83	303.81
Total	<u>344.83</u>	<u>303.81</u>
Refer note 43 for liquidity risk.		
27 Trade payables		
Total outstanding dues to micro and small enterprises [Refer note (ii) below]	146.62	158.26
Total outstanding dues of creditors other than micro enterprises and small enterprises - related parties [Refer notes 45]	126.90	25.14
Total outstanding dues of creditors other than micro enterprises and small enterprises - others	5,378.84	9,627.10
Total	<u>5,652.36</u>	<u>9,810.50</u>

Notes:

- (i) Refer note 43 for information about liquidity risk and market risk of trade payables.
- (ii) The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	146.62	158.26
- interest thereon, included in finance cost	-	-
The amount of interest paid by the buyer under MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

Disclosure of payable to vendors as defined under the MSMED Act is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

Trade Payables - Ageing

As at 31 March 2023

(₹ in lakhs)

Trade Payables	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	146.62	-	-	-	146.62
Others	5062.26	41.29	-	402.19	5,505.74
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As at 31 March 2022

(₹ in lakhs)

Trade Payables	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	158.26	-	-	-	158.26
Others	8,820.68	74.78	76.20	680.58	9,652.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
28 Other current financial liabilities		
Unpaid dividends [Refer note (i) below]	2.67	0.95
Payable for capital expenditure	627.02	197.11
Deposits	18.75	21.81
Other liabilities [Refer note (ii) below]	4,294.10	2,691.82
Total	<u>4,942.54</u>	<u>2,911.69</u>

Notes:

- (i) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March, 2023 and 31 March 2022.
- (ii) Other liabilities includes employee related liabilities and provision for expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March 2023 (₹ in lakhs)	As at 31 March 2022 (₹ in lakhs)
29 Other current liabilities		
Revenue received in advance [Includes advances from related parties ₹ 15.43 lakhs (31 March 2022 : ₹ 11.36 lakhs)] [Refer note 45]	8,877.89	6,769.29
Statutory dues	746.97	792.14
Advance received against sale of land [Refer note 17(i)]	1,320.00	1,320.00
Total	<u>10,944.86</u>	<u>8,881.43</u>
30 Current provisions		
Provision for employee benefits		
- Compensated absences [Refer note 47]	21.20	20.70
- Post retirement benefits [Refer note 47]	604.24	317.54
Provision for sales returns [Refer note (ii) below]	60.22	61.74
Provision for contingencies [Refer notes (i) below and 39]	-	548.29
Total	<u>685.66</u>	<u>948.27</u>
Notes :		
(i) Pursuant to sale of investment in EKC Industries (Tianjin) Co., Ltd, the Company then had outstanding receivable under "non-current financial assets" amounting to RMB 8.11 million (equivalent to ₹ 964.63 lakhs) as at 31 March 2022 and corresponding provision towards consideration retained by the buyer for contingencies and open litigations under "other current provisions" amounting to RMB 4.61 million (equivalent to ₹ 548.29 lakhs) as at 31 March 2022. During the current year ended 31 March 2023, based on the the outcome of the litigation, Company is liable to pay liquidated damages and compensation of RMB 3.25 million (equivalent to ₹ 389.22 lakhs) and accordingly excess provision of RMB 1.36 million (equivalent to ₹ 176.34 lakhs) is written back and presented as exceptional item during the current year. Further, the Company has offset the aforementioned liability of RMB 3.25 million against receivable of RMB 8.11 million resulting which receivable outstanding as at 31 March 2023 is RMB 4.85 million (equivalent to ₹ 580.52 lakhs).		
(ii) A provision is recognized for sales returns on products sold during the last six months, based on past experience of the level of returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for sales return were based on current provision for sales levels and current information available about returns for all products sold. The table below gives information about movement in provision for sales returns.		
Opening provision for sales returns	61.74	80.81
Provision made during the year	31.38	71.53
Provision reversed during the year	32.90	90.60
Closing provision for sales returns	<u>60.22</u>	<u>61.74</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
31 Revenue from operations		
Sale of products		
Manufactured goods	119,652.65	160,564.34
Stock-in-trade	6,396.78	7,892.41
Other operating revenues		
Scrap sales	1,088.68	1,157.64
Testing, inspection and installation fees	310.98	268.42
Total	<u>127,449.09</u>	<u>169,882.81</u>
Refer note 51 for details of revenue from contracts with customers.		
32 Other income		
Interest on financial assets measured at amortised cost		
- Inter-corporate deposit	6.15	12.77
- Fixed deposits	70.57	67.12
- Others	0.23	-
Other non-operating income (net)		
- Lease rent income	123.09	100.00
- Interest income on income tax refunds	44.06	31.44
- Gain on redemption of investment in mutual fund	-	45.62
- Excess provision written back [Refer note 43A]	0.23	56.02
- Recovery of bad debts of earlier years	18.85	247.30
- Liabilities no longer required written back	59.33	267.26
- Other non-operating income	222.25	533.35
Total	<u>544.76</u>	<u>1,360.88</u>
33 Cost of materials consumed		
Raw material and components consumed		
Opening stock	23,886.65	11,848.35
Add: Purchases	82,015.12	94,379.28
Less: Reversal of provision towards write down in value of slow and non moving inventory	212.13	(108.22)
Add: Foreign exchange translation reserve impact	981.06	249.53
Less: Closing stock (including in transit)	31,503.98	23,886.65
Total	<u>75,590.98</u>	<u>82,482.29</u>
34 Purchases of stock-in-trade		
Castor oil	2,147.01	5,188.38
Fire fighting equipment	284.52	245.08
Stores, spares and consumables	21.59	613.81
Cylinders	-	29.68
Total	<u>2,453.12</u>	<u>6,076.95</u>
35 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
At the beginning of the year		
Work-in-progress	13,349.00	14,043.79
Finished goods	4,651.81	3,634.95
Stock-in-trade	874.90	1,081.00
	<u>18,875.71</u>	<u>18,759.74</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
At the end of the year		
Work-in-progress	16,627.52	13,349.00
Finished goods (including in transit)	8,195.06	4,651.81
Stock-in-trade	985.48	874.90
	<u>25,808.06</u>	<u>18,875.71</u>
Less: Addition/(Reversal) of provision towards writedown in value of slow and non moving inventory	698.18	388.76
Add: Foreign exchange translation reserve impact	1,274.21	345.58
Total	<u>(4,959.96)</u>	<u>618.37</u>
36 Employee benefits		
Salaries and wages*	10,585.56	9,653.98
Contribution to provident and other funds [Refer note 47(A)]	256.10	224.52
Staff welfare expenses	160.38	174.95
Total	<u>11,002.04</u>	<u>10,053.45</u>
*Include salaries to key managerial personnel (KMP) and their relative amounting to ₹ 496.78 lakhs (31 March 2022: ₹ 464.32 lakhs). Refer note 45.		
37 Finance costs		
Interest expenses on financial liabilities measured at amortised cost		
- Borrowings	940.99	908.39
- Lease liabilities [Refer note 53]	105.96	86.49
Bank processing fees and other borrowing cost	65.50	69.03
Total	<u>1,112.45</u>	<u>1,063.91</u>
38 Other expenses		
Consumption of stores and spares	5,576.92	6,615.92
Power and fuel	6,922.20	7,419.63
Water charges	126.72	209.22
Repairs and maintenance		
- Building	209.42	167.03
- Plant and equipment	315.02	562.67
- Others	320.00	180.82
Labour charges	898.52	1,026.07
Lease rent [Refer note 53]	125.21	125.59
Insurance	670.55	478.24
Rates and taxes	4,045.28	4,971.13
Payment to auditors [Refer note (i) below]	70.64	68.14
Director sitting fees [Refer note 45]	28.64	21.53
Commission to directors [Refer note 45]	214.10	360.00
Expenditure towards corporate social responsibility [Refer note 57]	341.93	153.22
Legal and professional fees	1,175.95	1,095.40
Net loss on property, plant and equipment sold / discarded	246.32	113.16
Travelling and conveyance	757.60	440.60
Security expenses	69.95	64.58
Bad debts written off	450.73	240.42
Provision for doubtful debts [Refer note 43(A)]	423.62	61.84
Provision for doubtful deposits/ loans/ advances	-	80.91
Bank charges and commission	345.73	306.89
Packing and forwarding	1,058.92	1,539.38
Carriage and freight	1,084.69	1,743.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Year Ended 31 March 2023 (₹ in lakhs)	Year Ended 31 March 2022 (₹ in lakhs)
Advertisement and sales promotion	446.30	281.09
Commission on sales	403.42	815.86
Miscellaneous expenses [Refer note 55]	1,604.03	1,985.74
Total	<u>27,932.41</u>	<u>31,128.80</u>
Note:		
(i) Payment to auditors (of the Holding Company) (excluding taxes)		
As Auditors	66.50	66.50
Certification fees	1.05	1.05
Out of pocket expenses	3.09	0.59
Total	<u>70.64</u>	<u>68.14</u>
39 Exceptional items gain / (loss) (net)		
Provision for impairment in property, plant and equipment [Refer note 2(iv)]	(288.84)	(543.71)
Reversal of provision for contingencies [Refer notes 30(i)]	176.34	-
Waiver of borrowing obligation [Refer notes (i) below]	-	1,691.27
Ontime settlement of customer claim [Refer note (ii) below]	(1,994.22)	-
Total	<u>(2,106.72)</u>	<u>1,147.56</u>
Notes:		
(i) Exceptional item for the year ended 31 March 2022 includes ₹ 1,691.27 lakhs, government grant accrued in respect of forgivable loan obtained from a bank and guaranteed by the U.S. Small Business Administration ("SBA"), an agency of the Government of the United States of America, under the Paycheck Protection Program.		
(ii) During the year ended 31 March 2023, penalty of ₹ 1,994.22 has been levied on CP Industries Holdings Inc., wholly owned subsidiary of the Holding Company by its customer on account of non-fulfilment of terms agreed in the contract.		
40 Tax expense / (credit)		
Current tax on profits for the year	2,470.01	7,173.99
Deferred tax	(587.36)	3,509.65
Total	<u>1,882.65</u>	<u>10,683.64</u>
(A) Reconciliation of income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:		
Profit before tax from continuing operations	9,471.76	37,136.56
Profit before tax from discontinued operations	-	62.00
Profit before tax from total operations	<u>9,471.76</u>	<u>37,198.56</u>
Expected income tax at the enacted rate of 25.167% (31 March 2022: 34.94%)	2,383.85	12,998.66
Tax effect of the amounts which are not deductible / taxable in calculating taxable income		
Interest on delayed payment of statutory dues	-	0.03
Expenses not allowable for tax purposes	130.39	231.21
Expenditure towards corporate social responsibility	86.06	53.54
Deductions under Income Tax Act, 1961	(78.37)	(175.57)
Loss of subsidiaries on which deferred tax assets not recognised	(69.74)	117.75
Entities with no tax	(253.65)	(1,388.96)
Utilisation of unabsorbed depreciation loss	(106.95)	(328.28)
Adjustments due to change in tax rates	(268.59)	-
Others	59.66	(824.76)
Total	<u>1,882.66</u>	<u>10,683.63</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(B) Deferred tax assets movement (net)

(₹ in lakhs)

	As at 31 March 2023	Changes recognised in Consolidated Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 31 March 2022	Changes recognised in Consolidated Statement of Profit and Loss	Changes recognised in other comprehensive income	As at 01 April 2021
Deferred tax liability on account of:							
Depreciation and amortisation	1,868.39	(868.65)	-	2,737.04	(768.18)	-	3,505.22
Financial liability measured at fair value through other comprehensive income (FVOCI)	15.80	-	2.89	12.91	3.33	-	9.58
Total	1,884.19	(868.65)	2.89	2,749.95	(764.85)	-	3,514.80
Deferred tax assets on account of:							
Leases	37.33	45.46	-	(8.13)	(55.87)	-	47.74
Provision for doubtful debts / deposits / advances / investment	1,006.35	(321.36)	-	1,327.71	144.75	-	1,182.96
Employee benefits	113.86	5.05	(6.52)	115.33	6.78	0.55	108.00
Provision for sales returns	5.61	(15.96)	-	21.57	11.20	-	10.37
Unrealised profits on closing stock	29.56	5.53	-	24.03	6.23	-	17.80
Minimum Alternate Tax credit entitlement	-	-	-	-	(4,387.59)	-	4,387.59
Total	1,192.71	(281.28)	(6.52)	1,480.51	(4,274.50)	0.55	5,754.46
Net movement [provision / (reversal)]		(587.37)	9.41		(3,509.65)	(0.55)	

(C) Unused tax losses which arose on incurrence of business losses for which no deferred tax assets (DTA) has been created due to absence of reasonable certainty

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Business loss	11,113.25	11,113.25
DTA on business loss	3,190.52	3,190.52
Unabsorbed depreciation	535.52	535.52
DTA on unabsorbed depreciation	139.24	139.24

41 Other comprehensive income / (loss)

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Items that will be reclassified to profit or loss		
Gains and losses arising from translating the financial statements of foreign operations (net of tax)	2,774.40	1,034.42
Items that will not be reclassified to profit or loss		
Measurements of defined employee benefit plans (net of tax)	62.84	254.12
Equity instruments at fair value through other comprehensive income (net of tax)	8.60	6.18
Total	2,845.84	1,294.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

42 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2023			As at 31 March 2022		
	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Amortised cost
Financial assets - non-current						
Investments	341.16	-	-	329.67	-	-
Trade receivables	-	-	400.59	-	-	1,080.01
Other financial assets	-	-	284.83	-	-	1,596.59
Financial assets - current						
Trade receivables	-	-	18,404.12	-	-	22,648.73
Cash and cash equivalents	-	-	3,470.24	-	-	4,823.80
Bank balances other than cash and cash equivalents	-	-	1,543.41	-	-	1,302.76
Loans	-	-	167.01	-	-	144.18
Other financial assets	-	-	956.75	-	-	324.42
Financial liabilities - non-current						
Borrowings (including current maturities)	-	-	237.07	-	-	4,248.74
Lease liabilities	-	-	2,012.25	-	-	1,016.86
Other financial liabilities	-	-	804.06	-	-	25.05
Financial liabilities - current						
Borrowings	-	-	9,334.13	-	-	7,124.88
Lease liabilities	-	-	344.83	-	-	303.81
Trade payables	-	-	5,652.36	-	-	9,810.50
Other financial liabilities	-	-	4,942.54	-	-	2,911.69

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- (i) The fair values for investment in equity instrument are based on intrinsic value of the investee.
- (ii) The lease liability is initially measured at amortised cost at the present value of the future lease payments and are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Accordingly, these are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk
- (iii) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, other current financial assets / liabilities and borrowings approximate their carrying amounts largely due to short term maturities of these instruments. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
III. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial investments at FVOCI						
Unquoted equity instruments	-	-	341.16	-	-	329.67

IV. Reconciliation of level 3 fair value measurement:

(₹ in lakhs)

	2022-23	2021-22
At the beginning of the year	326.35	320.17
Acquisitions	-	-
Disposals	-	-
Fair value change recognised in statement of profit and loss	8.60	6.18
At the end of the year	334.95	326.35

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

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets - non-current				
Other financial assets	284.83	284.83	1,596.59	1,596.59
Trade receivables	400.59	400.59	1,080.01	1,080.01
Financial assets - current				
Trade receivables	18,404.12	18,404.12	22,648.73	22,648.73
Cash and cash equivalents	3,470.24	3,470.24	4,823.80	4,823.80
Bank balances other than cash and cash equivalents	1,543.41	1,543.41	1,302.76	1,302.76
Loans	167.01	167.01	144.18	144.18
Other financial assets	956.75	956.75	324.42	324.42
Financial liabilities - non-current				
Borrowings (including current maturities)	237.07	237.07	4,248.74	4,248.74
Other financial liabilities	804.06	804.06	25.05	25.05
Lease liabilities	2,012.25	2,012.25	1,016.86	1,016.86
Financial liabilities - current				
Borrowings	9,334.13	9,334.13	7,124.88	7,124.88
Lease liabilities	344.83	344.83	303.81	303.81
Trade payables	5,652.36	5,652.36	9,810.50	9,810.50
Other financial liabilities	4,942.54	4,942.54	2,911.69	2,911.69

Notes:

- (i) The above financial assets and liabilities are categorised under level 3 of fair value hierarchy.
- (ii) During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

43 Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instrument. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board.

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and bank balances, bank deposits and investments that derive directly from its operations.

The Group is exposed to credit risk, market risk and liquidity risk. The Group's senior management oversees the management of these risks.

(A) Credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its investing activities (deposits with banks and government and other financial instruments). The Group considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Bank balances and deposits are held with only high rated banks and security deposits are placed majorly with government agencies. Hence, in these cases, the credit risk is negligible.

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial

reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counter-party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter-party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Consolidated Statement of Profit and Loss.

Expected credit loss for trade receivables

As at 31 March 2023

(₹ in lakhs)

	Outstanding for following periods from due date of invoice					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than years	Total
Gross trade receivables	17,937.26	651.20	447.52	57.53	2,077.84	21,171.35
Expected loss rates	1.77%	0.00%	40.10%	7.68%	89.78%	
Expected credit loss	317.36	-	179.44	4.42	1,865.41	2,366.63

As at 31 March 2022

(₹ in lakhs)

	Outstanding for following periods from due date of invoice					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than years	Total
Gross trade receivables	22,906.22	688.26	244.43	82.51	1,705.76	25,627.18
Expected loss rates	0.00%	0.00%	14.05%	100.00%	100.00%	
Expected credit loss	75.83	-	34.34	82.51	1,705.76	1,898.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(ii) Movement in impairment allowance

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Opening provision	1,898.44	1,481.58
Provision for doubtful debts	423.62	61.84
Bad debts written off	44.80	412.22
Excess provision written back	(0.23)	(56.02)
Foreign currency translation adjustments	-	(1.18)
Closing provision	2,366.63	1,898.44

(B) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, lease liabilities, trade payables and other financial liabilities.

Liquidity risk management

The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Group's senior management. Group Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities
As at 31 March 2023

(₹ in lakhs)

Particulars	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial liabilities - non-current				
Borrowings	-	186.22	-	186.22
Lease liabilities	-	1,193.78	818.47	2,012.25
Other financial liabilities	-	768.87	35.19	804.06
Financial liabilities - current				
Borrowings	9,384.98	-	-	9,384.98
Lease liabilities	344.83	-	-	344.83
Trade payables	5,652.36	-	-	5,652.36
Other financial liabilities	4,942.54	-	-	4,942.54
Total	20,324.71	2,148.87	853.66	23,327.24

As at 31 March 2022

(₹ in lakhs)

Particulars	Within 1 year	1 - 5 years	Greater than 5 years	Total
Financial liabilities - non-current				
Borrowings	-	74.93	-	74.93
Lease liabilities	-	1,016.86	-	1,016.86
Other financial liabilities	-	-	25.05	25.05
Financial liabilities - current				
Borrowings	11,298.69	-	-	11,298.69
Lease liabilities	303.81	-	-	303.81
Trade payables	9,810.50	-	-	9,810.50
Other financial liabilities	2,911.69	-	-	2,911.69
Total	24,324.69	1,091.79	25.05	25,441.53

(C) Market risk
(i) Foreign currency risk

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD, AED, EUR and CNY.

Foreign currency risk management

In respect of the foreign currency transactions, the Group does not hedge the exposures since the management believes that the same will be partly offset by the corresponding receivables and payables which will be in the nature of natural hedge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Group's exposure to foreign currency risk at the end of reporting period expressed in INR are as under: (₹ in lakhs)

	As at 31 March 2023				As at 31 March 2022			
	USD	AED	EUR	CNY	USD	AED	EUR	CNY
Financial liabilities								
Trade payables	194.93	288.77	26.67	-	2,788.52	-	8.23	-
Other financial liabilities	-	-	11.72	295.89	-	-	-	-
Financial assets - current								
Trade receivables	82.26	-	14.50	-	68.75	-	-	-
Bank balances	0.08	39.18	446.54	-	162.93	54.01	-	-
Other current financial assets	-	-	-	580.52	-	-	-	-
Financial assets - non current								
Other non-current financial assets	-	-	-	-	-	-	-	964.63
Net exposure to foreign currency assets / (liabilities)	(112.59)	(249.59)	422.65	284.63	(2,556.84)	54.01	(8.23)	964.63

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD, AED, EUR and CNY with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	As at 31 March 2023		As at 31 March 2022	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(5.63)	5.63	(127.84)	127.84
AED	(12.48)	12.48	2.70	(2.70)
EUR	21.13	(21.13)	(0.41)	0.41
CNY	14.23	(14.23)	48.23	(48.23)

(ii) Interest rate risk

The Company's interest rate risk is mainly due to the borrowing acquired at floating interest rate.

The fixed rate borrowing are carried at amortised cost, hence they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The Group's borrowing structure at the end of reporting period are as follows: (₹ in lakhs)

	31 March 2023	31 March 2022
Variable rate borrowings	9,088.31	7,462.35
Fixed rate borrowings	237.07	3,911.27
Interest free borrowings	245.82	-
Total	9,325.38	11,373.62

Sensitivity analysis

The table below summarizes the impact of increases/decreases of the interest rates on the Company's equity and Gain/(Loss) for the period. The analysis is based on the assumption that the interest rate has increased by 70 basis points or decreased by 70 basis points with all there variables held constant.

(₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2023	31 March 2022
Increase by 70 basis points	(63.62)	(52.24)
Decrease by 70 basis points	63.62	52.24

(iii) Price Risk

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

The table below summarizes the impact of increases/decreases of the share price on the Company's equity and Gain/(Loss) for the period. The analysis is based on the assumption that the share price has increased by 5% or decreased by 5% with all there variables held constant, and that the Company's equity instruments moved in line with the share price.

(₹ in lakhs)

Sensitivity	31 March 2023	31 March 2022
Impact on other comprehensive income for 5% increase in share price	17.06	16.48
Impact on other comprehensive income for 5% decrease in share price	(17.06)	(16.48)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
44 Capital Management
(i) Risk management

The Group's objectives when managing capital are as below -

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes non-current and current borrowings net of cash and cash equivalents and bank balances other than cash and cash equivalent and total equity comprises of equity share capital and other equity.

(ii) The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Gross debt	9,571.20	11,373.62
Less: Cash and cash equivalents and bank balances other than cash and cash equivalent	(5,013.65)	(6,126.56)
Net debt (A)	4,557.55	5,247.06
Equity (B)	99,948.89	90,299.39
Gearing ratio (A / B)	0.05	0.06

(iii) Loan covenants

At 31 March 2023 and 31 March 2022, CP Industries Holdings Inc., a step down subsidiary of the Holding Company, is in violation of the leverage and fixed charge coverage covenants and as a result is in technical default of the credit agreement entered with the bank. A waiver from the bank has not yet been received. The entity is trying to ensure compliance with the covenants as soon as possible. The banks have not levied any interest/penalty towards above matter.

(iv) Net debt reconciliation

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	3,470.24	4,823.80
Non- current borrowings	(237.07)	(4,248.74)
Current borrowings	(9,334.13)	(7,124.88)
Lease liabilities (including current maturities)	(2,357.08)	(1,320.67)
Net Debt	(8,458.04)	(7,870.49)

(₹ in lakhs)

	Cash and cash equivalents	Borrowings (excluding working capital)	Working capital	Lease liabilities	Total
Net Debt as at 31 March 2021	5,747.99	(9,065.19)	(11,267.84)	(1,693.28)	(16,278.32)
Cash flows	(924.19)	2,863.53	4,269.92	373.85	6,583.11
Non cash movement: Acquisitions	-	-	-	5.11	5.11
Interest expense	-	(536.51)	(440.91)	(86.49)	(1,063.91)
Interest paid	-	1,023.54	430.39	86.49	1,540.42
Non cash adjustment					
Government grant accrued in respect of forgivable loan	-	1,691.27	-	-	1,691.27
Foreign currency translation adjustments	-	(225.38)	(116.44)	(6.35)	(348.17)
Net Debt as at 31 March 2022	4,823.80	(4,248.74)	(7,124.88)	(1,320.67)	(7,870.49)
Cash flows	(1,353.56)	4,053.09	(2,039.82)	382.99	1,042.70
Non cash movement: Acquisitions	-	-	-	(1,236.32)	(1,236.32)
Interest expense	-	(245.20)	(761.29)	(105.96)	(1,112.45)
Interest paid	-	241.39	731.80	105.96	1,079.15
Non cash adjustment					
Foreign currency translation adjustments	-	(37.61)	(139.94)	(183.08)	(360.63)
Net Debt as at 31 March 2023	3,470.24	(237.07)	(9,334.13)	(2,357.08)	(8,458.04)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(E) Dividends

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
(i) Equity shares Final dividend for the year ended 31 March 2022 of INR 0.70 (31 March 2021: INR 0.30) per fully paid share	785.45	336.62
(ii) Dividends not recognised at the end of the reporting period The Board of Directors have recommended a final dividend of ₹ 0.70 per equity share for the year ended 31 March 2023 (31 March 2022: ₹ 0.70), (face value of ₹ 2 each), subject to necessary approval by the members in the ensuing Annual General Meeting of the Company.	785.45	785.45

45 Related party disclosures:

As per Ind AS 24, 'Related Party Disclosures', disclosure of transactions with the related parties are given below:

(i) Names of related parties and description of relationship with the Group

Non executive directors and other related parties where promoters, directors and their relatives exercise significant influence (with whom transactions have taken place during the year)	Mr. Ghanshyam Karkera Mr. M N Sudhindra Rao Ms. Uma Acharya Dr. Vijayanti Pandit Everest Kanto Investment and Finance Private Limited Khurana Gases Private Limited Medical Engineers (India) Limited Khurana Fabrication Industries Private Limited Khurana Exports Private Limited Khurana Charitable Trust
Key Management Personnel	Mr. Puneet Khurana - Managing Director Mr. Pushkar Khurana - Chairman and Executive Director Mr. Sanjiv Kapur - Chief Financial Officer Ms. Bhagyashree Kanekar - Company Secretary (upto 30 June 2021) Ms. Reena Shah - Company Secretary (12 August 2021 to 23 November 2022)
Relatives of Key Management Personnel (with whom transactions have taken place during the year)	Ms. Suman Khurana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(ii) Transactions with related parties during the year:

(₹ in lakhs)

	Non Executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key management personnel		Relatives of key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sale of goods						
Medical Engineers (India) Limited	599.06	1,681.08	-	-	-	-
Remuneration						
Mr. Pushkar Khurana	-	-	131.02	121.48	-	-
Mr. Puneet Khurana	-	-	258.95	234.66	-	-
Ms. Bhagyeshree Kanekar	-	-	-	4.84	-	-
Ms. Reena Shah	-	-	9.26	8.26	-	-
Mr. Sanjiv Kapur	-	-	67.55	65.08	-	-
Ms. Suman Khurana	-	-	-	-	30.00	30.00
Sitting fees						
Mr. Ghanshyam Karkera	9.74	7.73	-	-	-	-
Ms. Uma Acharya	7.50	5.40	-	-	-	-
Mr. M N Sudhindra Rao	7.20	5.20	-	-	-	-
Dr. Vaijayanti Pandit	4.20	3.20	-	-	-	-
Commission to managing directors						
Mr. Pushkar Khurana	-	-	97.05	-	-	-
Mr. Puneet Khurana	-	-	97.05	340.00	-	-
Commission to non-executive directors						
Ms. Uma Acharya	5.00	5.00	-	-	-	-
Mr. M N Sudhindra Rao	5.00	5.00	-	-	-	-
Mr. Ghanshyam Karkera	5.00	5.00	-	-	-	-
Dr. Vaijayanti Pandit	5.00	5.00	-	-	-	-
Rent expenses						
Khurana Fabrication Industries Private Limited	17.46	16.77	-	-	-	-
Khurana Exports Private Limited	47.63	45.74	-	-	-	-
Khurana Gases Private Limited	8.81	14.50	-	-	-	-
Mr. Pushkar Khurana	-	-	3.78	3.78	-	-
Ms. Suman Khurana	-	-	-	-	3.60	-
Other expenses						
Khurana Exports Private Limited	12.68	12.84	-	-	-	-
Reimbursement of expenses						
Medical Engineers (India) Limited	1.10	-	-	-	-	-
Mr. Puneet Khurana	-	-	0.55	3.84	-	-
Ms. Uma Acharya	0.16	-	-	-	-	-
Mr. M N Sudhindra Rao	0.02	-	-	-	-	-
Mr. Ghanshyam Karkera	0.16	-	-	-	-	-
Dr. Vaijayanti Pandit	0.10	-	-	-	-	-
Interest expenses						
Khurana Gases Private Limited	99.80	118.90	-	-	-	-
Everest Kanto Investment and Finance Private Limited	107.03	337.96	-	-	-	-
Khurana Fabrication Industries Private Limited	18.25	24.89	-	-	-	-
Khurana Exports Private Limited	0.61	0.63	-	-	-	-
Loans repaid during the year						
Everest Kanto Investment and Finance Private Limited	2,367.00	1,538.50	-	-	-	-
Khurana Gases Private Limited	1,155.54	224.46	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	Non Executive directors and other related parties where promoters, directors and their relatives exercise significant influence		Key management personnel		Relatives of key management personnel	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Khurana Fabrication Industries Private Limited	207.28	94.72	-	-	-	-
Khurana Exports Private Limited	7.00	-	-	-	-	-
Trade Advances						
Medical Engineers (India) Limited	25.43	-	-	-	-	-
(iii) Balances of related parties:						
(₹ in lakhs)						
Payables (Trade payables and other liabilities)						
Mr. Pushkar Khurana	-	-	108.23	6.73	-	-
Mr. Puneet Khurana	-	-	119.29	355.00	-	-
Ms. Reena Shah	-	-	-	1.12	-	-
Mr. Sanjiv Kapur	-	-	6.72	5.51	-	-
Ms. Uma Acharya	4.50	4.50	-	-	-	-
Mr. M N Sudhindra Rao	4.50	4.50	-	-	-	-
Mr. Ghanshyam Karkera	5.17	4.91	-	-	-	-
Dr. Vijayanti Pandit	4.50	4.50	-	-	-	-
Mrs. Suman Khurana	-	-	-	-	5.47	2.50
Other advances						
Mr. Puneet Khurana	-	-	2.28	-	-	-
Revenue received in advance						
Medical Engineers (India) Limited	15.43	11.36	-	-	-	-
Loans taken						
Everest Kanto Investment and Finance Private Limited	-	2,367.00	-	-	-	-
Khurana Gases Private Limited	-	1,155.00	-	-	-	-
Khurana Fabrication Industries Private Limited	-	207.82	-	-	-	-
Khurana Exports Private Limited	-	7.00	-	-	-	-
Deposit receivable						
Khurana Exports Private Limited	10.00	10.00	-	-	-	-
Personal guarantees from promoter directors for borrowings by the Holding Company [Refer note (a) below]						
Assets pledged by a subsidiary's director for outstanding borrowings by a subsidiary company [Refer note (b) below]						

Notes:

- Personal guarantees given to banks for working capital loans with sanctioned limit of ₹ 18,594.73 lakhs as at 31 March 2023 (₹ 12,226.86 lakhs as at 31 March 2022) by promoter directors against which ₹ 5,142.48 lakhs was outstanding as at 31 March 2023 (₹ 4,833.47 lakhs as at 31 March 2022).
- Assets pledged to a bank by a subsidiary's director* for working capital loan of ₹ 1,878.73 lakhs as at 31 March 2022 (₹ 1,708.77 as at 31 March 2022) against which ₹ 333.05 lakhs (₹ Nil as at 31 March 2022) were outstanding as at the end of the year.
- Foreign currency balances are restated using closing rate as at balance sheet date.
- All the transactions stated above with related parties are on arm's length basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(iv) Compensation to Key Management Personnel *

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	445.18	412.72
Post-employment benefits	21.60	21.60
Total compensation	466.78	434.32

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

46 Contingent liabilities, capital and other commitments

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
(A) Contingent liabilities:		
(i) Income tax matters under dispute	1,183.30	1,319.13
(ii) Lease tax	-	13.69
(iii) Sales tax and Value Added Tax	7.16	285.97
(iv) Excise duty	89.26	47.11
(v) Provident fund: The Hon'ble Supreme Court, has passed an order on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, the Holding Company has provided for the liability in accordance with the judgement from the date of pronouncement and retrospective liability, if any, will be provided when the final legal view emerges from the authority.	Amount not determinable	Amount not determinable
(vi) Group's liabilities/obligations pertaining to the period upto the date of transfer of investment in EKC Industries (Tianjin) Co. Ltd. [Refer note 48].	Amount not determinable	Amount not determinable
(vii) Claims against Holding Company not acknowledged as debts	50.75	50.75
(viii) CP Industries Holdings Inc. USA, a subsidiary of the Holding Company, is exposed to environmental risks. The subsidiary has various policies and procedures to avoid environmental contamination and to mitigate the risks of environmental contamination. The subsidiary conducts periodic reviews to identify changes in its environmental risk profile. Liabilities are accrued when environmental assessments and/or clean-ups are probable and the costs can be reasonably estimated. The subsidiary is not aware of any environmental claims existing at 31 March 2023. However, there can be no assurance that current regulatory requirements will not change or unknown past noncompliance with environmental laws will not be discovered on the subsidiary's properties. Future cash flows in respect of the above are determinable only on pronouncements of judgments / decisions pending with various forums/ authorities. The Group does not expect any reimbursement in respect of the above matters.		
(B) Commitments: Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	1,121.77	2,049.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

47 Employee benefits

(A) Defined contribution plan:

Contribution to defined contribution plans, recognised as expense for the year in the Statement of profit and loss by the Holding Company are as under:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Employer contribution to provident fund	161.04	155.90
Employer contribution to employees state insurance scheme	24.85	4.55
Employer contribution to labour welfare fund'	0.22	0.22
Total	186.11	160.67

(B) Defined benefit plan:

Contribution to gratuity fund (funded scheme)

The Holding Company provides gratuity benefit for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Holding Company makes contributions to recognised funds in India.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Actuarial assumptions	IALM	IALM
Mortality table	(2012-14) ult	(2012-14) ult
Discount rate (%) (per annum)	7.45%	6.95%
Rate of increase in compensation (%) (per annum)	7.00%	7.00%
Withdrawal rate (%)		
Age 21-30 years	7.50%	7.50%
Age 31-40 years	5.00%	5.00%
Age 41-57 years	3.00%	3.00%
(ii) Assets information (%)	100.00%	100.00%
Insurer managed funds		
(iii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	396.17	347.44
Interest expense	25.91	20.97
Current service cost	40.74	35.18
Actuarial loss / (gain)	(26.44)	18.90
Benefits paid	(35.09)	(26.32)
Present value of obligation at the end of the year	401.29	396.17
(iv) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of the year	196.0927	208.89
Interest income	13.3900	13.19
Contributions	43.9600	-
Benefits paid	(35.0900)	(26.32)
Actuarial (loss) / gain	(0.5200)	0.33
Fair value of plan assets at the end of the year	217.8327	196.09
(v) Assets and liabilities recognised in the Consolidated Balance Sheet		
Present value of the defined benefit obligation at the end of the year	401.29	396.17
Less: Fair value of plan assets at the end of the year	(217.83)	(196.09)
Net liability recognised in the Consolidated Balance Sheet	183.46	200.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2023	Year ended 31 March 2022
	Recognised under provisions:		
	Current	-	-
	Non-current	183.46	200.08
(vi)	Expenses recognised in the Consolidated Statement of Profit and Loss		
	Current service cost	40.74	35.18
	Interest expense (net)	12.52	7.78
	Net gratuity cost recognised during the year in the Statement of Profit and Loss	53.26	42.96
	Included in note 36 'Employee benefits expense'		
(vii)	Expenses recognised in Other comprehensive income / (loss)		
	Actuarial gain / (loss) on remeasurements of defined employee benefit plans	25.92	(18.57)
	Total Remeasurements of defined employee benefit plans recognised in Other comprehensive income/(loss)	25.92	(18.57)
(viii)	Reconciliation of net asset / (liability) recognised:		
	Net asset / (liability) recognised at the beginning of the period	(200.08)	(138.55)
	Company contributions	43.96	-
	Benefits paid directly by Holding Company	-	-
	Actuarial gain / (loss)	25.92	(18.57)
	Expenses recognised at the end of period	(53.26)	(42.96)
	Net (liability) recognised at the end of the period	(183.46)	(200.08)

(ix) Sensitivity Analysis:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Impact of increase in 50 bps on DBO (discount rate)	3.85%	-	3.94%	-
Impact of decrease in 50 bps on DBO (discount rate)	-	4.12%	-	4.23%
Impact of increase in 50 bps on DBO (salary escalation rate)	-	4.02%	-	4.10%
Impact of decrease in 50 bps on DBO (salary escalation rate)	3.78%	-	3.85%	-

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(x) Number of employees

(in numbers)

		Year ended 31 March 2023	Year ended 31 March 2022
	Active members	612	626
	• deferred members - Nil (2021-22: Nil)		
	• retired members - Nil (2021-22: Nil)		
	The Holding Company expects to contribute around ₹ 40 lakhs to the funded plans in financial year 2023-24 for gratuity.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

(₹ in lakhs)

Year	Year ended 31 March 2023	Year ended 31 March 2022
1	48.57	46.79
2	29.45	40.01
3	47.30	27.15
4	37.95	44.01
5	44.71	33.61
6	49.05	40.63
7	35.80	45.75
8	15.96	33.25
9	52.11	14.49
10 and above	489.81	481.70

(xii) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset liability mismatching or market Risk: the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

- (C) The obligation of compensated absences of the Holding Company is recognised in the same manner as gratuity and net expense in the Consolidated Statement of Profit and Loss for the year ended 31 March 2023 is ₹ 4.54 lakhs (31 March 2022: ₹ 18.57 lakhs)

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current provisions	21.20	20.70
Non-current provisions	111.74	107.70
Total*	132.94	128.40

* Total provision is ₹ 267.80 lakhs (31 March 2022: ₹ 272.52 lakhs) out that ₹ 132.94 lakhs (31 March 2022: ₹ 128.40 lakhs) pertains to the Holding Company and the balance of ₹ 134.86 lakhs (31 March 2022: ₹ 144.12 lakhs) pertains to EKC International FZE, Dubai.

(D) CP Industries Holdings Inc., USA - Defined benefit pension plan

The subsidiary has a non-contributory defined benefit pension plan covering all union employees hired prior to 1 June 2006. The benefits are based on years of service and the applicable compensation level under the plan. The subsidiary's funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Actuarial assumptions		
Discount rate (%) (per annum)	4.95%	3.40%
Expected rate of return (per annum)	5.00%	5.00%
(ii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	4,653.74	4,832.56
Interest expense	161.59	132.62
Current service cost	26.30	32.78
Actuarial loss	(666.42)	(200.76)
Benefits paid	(302.58)	(289.19)
Foreign exchange (gain) / loss	375.77	145.73
Present value of obligation at the end of the year	4,248.40	4,653.74
(iii) Changes in the fair value of plan assets		
Fair value of plan assets at beginning of the year	2,813.94	2,903.10
Interest income	(148.94)	147.33
Contributions	281.37	74.51
Benefits paid	(302.58)	(289.19)
Actuarial gain / (loss)	(635.30)	74.70
Foreign exchange gain / (loss)	855.70	(96.51)
Fair value of plan assets at the end of the year	2,864.19	2,813.94
(iv) Assets and liabilities recognised in the Consolidated Balance Sheet		
Present value of the defined benefit obligation at the end of the year	4,248.40	4,653.74
Less: Fair value of plan assets at the end of the year	(2,864.19)	(2,813.94)
Net liability recognised	1,384.21	1,839.81
Recognised under provisions		
Current provisions	588.59	303.23
Non-current provisions	795.62	1,536.59
(v) Expenses recognised in the Consolidated Statement of Profit and Loss		
Current service cost	26.30	32.78
Net interest expense	12.65	(14.70)
Net amortization and deferral - prior period	134.60	143.11
Net defined benefit pension costs recognised during the year	173.55	161.19
Included in note 36 'Employee benefits expense'		
(vi) Plan assets		
Pooled separate account *	2,864.19	2,813.94
Total	2,864.19	2,813.94

* The pooled separate account represent an insurance contract under which plan assets are administered through pooled funds. The pooled separate account portfolio may include investments in money market instruments, mutual funds, common stocks and government and corporate bonds and notes. At 31 March 2023 and 2022 substantially all investments in the pooled separate account were invested in twenty-one diversified mutual funds. Net asset value is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding as provided by the investment account manager and therefore the pooled separate account is classified in Level 2 of the fair value hierarchy. There are no unfunded commitments or redemption restrictions relating to the pooled separate accounts.

Mutual funds, equity securities, government bonds, and corporate bonds are traded in active markets and valued based on their quoted fair value by independent pricing vendors (Level 2 inputs under the fair value hierarchy).

The overall investment policy for the plan assets is to produce a total return commensurate with the portfolio's risk, the constraints of funding on-going plan benefit and expense requirements and the current opportunities in the investment market. The subsidiary's expected rate of return on plan assets is determined by the plan's historical returns and the targeted mix of investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(vii) Maturity analysis of projected benefit obligation:

(₹ in lakhs)

Year	Year ended 31 March 2023	Year ended 31 March 2022
1	349.56	317.97
2	339.14	322.30
3	326.89	312.70
4	320.09	301.40
5	316.69	295.14
6 and above	1,575.92	1,460.09

(E) CP Industries Holdings Inc., USA - Post retirement benefits

The Company has a post-retirement plan to provide certain post retirement benefits for those employees identified in the current collective bargaining agreement. The benefits are not salary based. In general, for measurement purposes, an 10% annual rate of increase in the per capita cost of covered health benefits was assumed as of the measurement date decreasing to 7% over the following eight-year period and remaining at that level until 2030.

(₹ in lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Actuarial assumptions		
Discount rate (%) (per annum)	4.65%	3.10%
(ii) Changes in the present value of defined benefit obligation (DBO)		
Present value of obligation at the beginning of the year	125.06	121.17
Interest expense	3.88	2.64
Current service cost	0.70	0.29
Actuarial (gain) / loss	(12.30)	6.64
Benefits paid	(10.61)	(9.48)
Foreign exchange loss	10.15	3.80
Present value of obligation at the end of the year	116.90	125.06
(iii) Changes in the fair value of plan assets		
Fair value of plan assets	-	-
(iv) Assets and liabilities recognised in the Consolidated Balance Sheet		
Present value of the defined benefit obligation at the end of the year	116.90	125.06
Less: Fair value of plan assets at the end of the year	-	-
Net liability recognised	116.90	125.06
Recognised under provisions		
Current provisions	15.65	14.31
Non-current provisions	101.25	110.73
(v) Expenses recognised in the Consolidated Statement of Profit and Loss		
Current service cost	0.70	0.29
Net interest expense	3.88	2.64
Net amortization and deferral - prior period	(31.43)	(31.14)
Net post retirement plan costs recognised during the year Included in note 36 'Employee benefits expense'	(26.84)	(28.21)
(vi) Maturity analysis of projected benefit obligation:		
Year 1	16.14	12.92
Year 2	14.44	15.41
Year 3	14.20	13.80
Year 4	11.14	13.57
Year 5	12.28	10.69
Year 6 and above	48.91	50.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(F) EKC International FZE - Provision for Employee Benefits

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Compensated absences	134.86	144.12
Post-retirement benefits - Gratuity	168.94	120.57
Total - Non-current provisions	303.80	264.69

48 Discontinued operations
(a) Description

During the year ended 31 March 2019, the Holding Company had initiated to wind up the business operations of EKC Industries (Thailand) Co. Limited pending completion of requisite regulatory formalities in India and Thailand. Subsequently, the Holding Company had registered the dissolution of EKC Industries (Thailand) Co. Ltd., with the Ministry of Commerce, Thailand on 20 August 2021 following which the liquidation process was completed on 20 December 2022 resulting in dissolution of the company.

b) Financial performance and cash flow information pertaining to discontinued operations

(₹ in lakhs)

		Period ended 20 December 2022 [Refer to Note (a) above]	Year ended 31 March 2022 [Refer to Note (a) above]
I	Total Income	-	-
II	Total Expenses	-	11.69
III	Loss before provision for doubtful debts, foreign exchange variation gain / (loss), exceptional items and tax (I-II)	-	(11.69)
IV	Liability no longer required / Provisions written back	-	14.28
V	Foreign exchange variation gain / (loss)	-	59.41
VI	Profit / (Loss) before tax (III+IV+V)	-	62.00
VII	Tax expense / (credit)	-	-
VIII	Profit / (Loss) after tax (VII-VIII)	-	62.00
IX	Other comprehensive income from discontinued operations	-	-
	Net cash generated from / (used in) operating activities	-	1,617.27
	Net cash generated from / (used in) investing activities	-	-
	Net cash generated from / (used in) financing activities	-	244.91
	Exchange differences on translation of discontinued operations	-	(41.00)
	Net cash generated from/ (used in) discontinued operations	-	1,821.18

c) Assets and liabilities of disposal group classified as held for sale

The carrying amount of assets and liabilities as at 31 March 2023 are as follows:

(₹ in lakhs)

	As at 20 December 2022 [Refer to Note (a) above]	As at 31 March 2022 [Refer to Note (a) above]
Property, plant and equipment	-	-
Total assets	-	-
Other current liabilities	-	-
Total liabilities	-	-
Net assets	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

49 (a) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(₹ in lakhs)

	Country of Incorporation	% of ownership interest	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income for the year	
			As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated other comprehensive income / (loss)	Amount	As a % of consolidated total comprehensive income	Amount
Everest Kanto Cylinder Limited	India									
31 March 2023			65.91%	65,880.25	94.93%	7,204.49	0.98%	28.00	69.31%	7,232.49
31 March 2022			65.82%	59,433.21	86.05%	22,817.07	25.54%	330.72	82.03%	22,811.16
Subsidiaries										
EKC International FZE	United Arab Emirates	100%								
31 March 2023			68.34%	68,302.60	16.95%	1,286.01	-	-	12.32%	1,286.01
31 March 2022			68.19%	61,570.68	13.77%	3,652.07	-	-	13.13%	3,652.07
CP Industries Holdings, Inc.	United States of America	100%								
31 March 2023			-16.32%	(16,315.94)	-20.16%	(1,530.19)	1.53%	43.44	-14.25%	(1486.75)
31 March 2022			-15.11%	(13,641.95)	1.87%	495.21	42.26%	547.18	3.75%	1,042.39
EKC Industries (Thailand) Co. Limited [Liquidation registered on 20 August 2021 and completed on 20 December 2022] [Refer note 48(a) below]	Kingdom of Thailand	100%								
31 March 2023			-	-	-	-	-	-	-	-
31 March 2022			2.16%	1,947.24	-0.05%	(13.80)	-	-	-0.05%	(13.80)
Calcutta Compressions and Liquefaction Engineering Limited	India	100%								
31 March 2023			-1.48%	(1,478.99)	-0.10%	(7.78)	-	-	-0.07%	(7.78)
31 March 2022			-1.63%	(1,471.21)	-0.41%	(107.92)	-	-	-0.39%	(107.92)
EKC Hungary Kft.	Hungary	100%								
31 March 2023			-6.31%	(6,306.65)	9.32%	707.04	-	-	6.78%	707.04
31 March 2022			-7.18%	(6,481.69)	-23.56%	(6,247.16)	-	-	-22.46%	(6,247.16)
Next Gen Cylinder Private Limited	India	100%								
31 March 2023			0.01%	9.40	0.00%	(0.09)	-	-	0.00%	(0.09)
31 March 2022			0.01%	9.49	0.00%	(0.09)	-	-	0.00%	(0.09)
EKC Europe GmbH	Germany	100%								
31 March 2023			-0.46%	(463.30)	0.58%	43.87	-	-	0.42%	43.87
31 March 2022			-0.53%	(482.08)	-0.51%	(134.31)	-	-	-0.48%	(134.31)
EKC Europe Zrt [Refer note (i) below]	Germany	80%								
31 March 2023			0.15%	149.39	-0.05%	(3.65)	0.00%	-	-0.03%	(3.65)
31 March 2022			0.16%	148.88	-0.09%	(22.70)	0.00%	-	-0.08%	(22.70)
EKC Egypt (S.A.E.) [Refer note (ii) below]	Egypt	80%								
31 March 2023			0.07%	74.93	-1.61%	(122.43)	0.00%	-	-1.17%	(122.43)
31 March 2022			0.00%	-	0.00%	-	0.00%	-	0.00%	-
Intercompany Elimination and Consolidation Adjustments										
31 March 2023			-9.91%	(9,902.80)	0.16%	11.84	97.49%	2,774.40	26.70%	2786.24
31 March 2022			-11.89%	(10,733.18)	22.92%	6,076.55	32.19%	416.82	23.35%	6,493.37
Total										
31 March 2023			100.00%	99,948.89	100.00%	7,589.11	100.00%	2,845.84	100.00%	10,434.95
31 March 2022			100.00%	90,299.39	100.00%	26,514.92	100.00%	1,294.72	100.00%	27,809.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

49 (a) For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Notes:

- (i) During the year ended 31 March 2022, EKC International FZE, subsidiary of the Holding Company has entered into an agreement with local party in Hungary to incorporate EKC Europe Zrt, a Joint Venture Company with majority stake of 80%.
- (ii) During the year ended 31 March 2023, EKC International FZE, subsidiary of the Holding Company has entered into an agreement with local party in Egypt to incorporate EKC Egypt (S.A.E.), a Joint Venture Company with majority stake of 80%.

(b) Non-controlling interests

Below is the summarised financial information for each subsidiary that has non-controlling interest. The amount disclosed for each subsidiary are before inter company eliminations.

Summarised information on assets and liabilities

(₹ in lakhs)

	EKC Europe Zrt		EKC Egypt (S.A.E.)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current assets	24.53	38.26	248.92	-
Current liabilities	0.13	0.35	1,111.89	-
Net current assets	24.40	37.91	(862.97)	-
Non-current assets	124.99	110.97	1,706.77	-
Non-current liabilities	-	-	768.87	-
Net non-current assets	124.99	110.97	937.90	-
Net assets	149.39	148.88	74.93	-
Less: Intercompany elimination	4.79	-	10.73	-
Net assets after intercompany elimination and consolidation adjustments	144.60	148.88	64.20	-
Accumulated non-controlling interests	28.92	29.65	12.84	-

Summarised information on operating results

(₹ in lakhs)

	EKC Europe Zrt		EKC Egypt	
	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022
Revenue from operations	-	-	-	-
Net Profit / (Loss) after tax *	(3.65)	(22.70)	(122.44)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(3.65)	(22.70)	(122.44)	-
Net Profit for the year attributable to non-controlling interests	(0.73)	(4.54)	(24.49)	-
Dividends paid to non-controlling interests	-	-	-	-

Summarised cash flow information

(₹ in lakhs)

	EKC Europe Zrt		EKC Egypt	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Net cash generated from / (used in) operating activities	(3.10)	(24.91)	963.47	-
Net cash generated from / (used in) investing activities	(9.51)	62.70	(1,483.66)	-
Net cash generated from / (used in) financing activities	-	-	793.28	-
Exchange differences on translation of operations	(0.35)	(1.98)	(24.18)	-
Net increase / (decrease) in cash and cash equivalents	(12.96)	35.81	248.91	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	India		United Arab Emirates		United States of America and Hungary		Others		Total	
	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022
	50 Segment reporting									
A. Geographical segment										
(a) Segment revenue from continuing operations	78,965.46	126,781.61	19,939.57	24,061.83	28,439.02	19,345.36	3,071.69	1,008.49	130,415.74	171,191.29
Less: inter segment revenue	119.50	124.05	2,789.94	1,164.45	-	-	57.21	25.97	2,966.65	1,314.47
Total	78,845.96	126,657.56	17,149.63	22,897.38	28,439.02	19,345.36	3,014.48	982.52	127,449.09	169,882.82
Segment revenue from discontinued operations										
Thailand										
Total										
(b) Segment results from continuing operations	8,426.38	33,553.70	1,285.49	3,913.71	(570.26)	1,103.55	(0.64)	(230.54)	9,140.97	38,340.42
Segment results									666.79	39.45
Unallocable income / (expenses) (net)									670.49	(265.89)
Foreign exchange variation (loss)/gain (net)									1,006.49	977.42
Finance costs									9,471.76	37,136.56
Profit before tax from continuing operations - (i)										
Discontinued operations - (ii)										
Thailand										
Tax expense - (iii)										
Current tax										62.00
Deferred tax										62.00
Profit from continuing operations after tax (i-iii)									2,470.01	7,173.99
Profit after tax from total operations attributable to:									(587.36)	3,509.65
Equity shareholders of the Holding Company									7,589.11	26,452.92
Non-controlling interests									7,589.11	26,514.92
Other Information									7,614.33	26,519.46
Segment assets of continuing operations (I)	74,934.49	78,046.41	27,816.49	26,687.48	26,689.99	20,870.38	3,497.49	697.65	132,938.46	126,301.92
Add: Unallocated assets									4,338.61	2,757.94
Total									137,277.07	129,059.86
Segment assets of discontinued operations (II)										
Thailand										
Total										
Total assets (I+II)									137,277.07	129,059.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	India		United Arab Emirates		United States of America and Hungary		Others		Total	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
50 Segment reporting (contd.)										
A. Geographical segment										
(d) Segment liabilities of continuing operations (III) Add: Unallocated liabilities Total	9,392.49	13,542.91	3,459.49	3,761.58	12,858.99	8,970.58	1,231.99	53.03	26,942.96	26,328.10
Segment liabilities of discontinued operations (IV) Thailand Total	-	-	-	-	-	-	-	-	10,387.22	12,432.37
Total liabilities (III+IV)	4,848.74	3,891.89	984.64	589.73	784.76	573.21	1,697.81	110.97	37,330.18	38,760.47
(e) Capital expenditure of continuing operations Add: Capital expenditure of discontinued operations Total									8,315.95	5,165.80
(f) Depreciation and amortisation of continuing operations Add: Depreciation and amortisation of discontinued operations Total	2,229.11	1,941.74	735.78	650.33	990.00	910.96	-	-	3,954.89	3,503.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(B) Other Disclosures

1 Identification of segments:

The chief operating decision maker monitors the operating results of its geographical segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's reportable segments are India, United Arab Emirates (UAE), United States of America and Hungary and Others.

2 The Holding Company, its subsidiaries and step down subsidiaries operate within a single business segment, except for Calcutta Compressions & Liquefaction Engineering Limited, which is in the business of purchase and distribution of natural gas, the operations of which are not material as compared to the overall business of the Group. Hence, the Group has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries and step down subsidiaries.

3 Segment revenue and results

The expenses and income which are not directly attributable to any geographical segment are shown as unallocable income / (expenses).

4 Segment assets and liabilities

Segment assets include all operating assets used by the geographical segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the geographical segment are shown as unallocable assets / liabilities.

5 Inter segment revenues

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Group level.

6 The Group deals with various customers including multiple geographies. Consequently, none of the customer contribute materially to the revenue of the Group.

7 For details on discontinued operations, [Refer note 48].

Information on geographical revenue and non-current assets

(₹ in lakhs)

	India		Rest of World		Total	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Segment revenue*	78,845.96	126,657.56	48,603.13	43,225.26	127,449.09	169,882.82
Carrying cost of segment non-current assets included in total segment assets **	29,858.45	23,757.43	19,631.18	18,028.36	49,489.63	41,785.79

* Based on location of customers.

** Geographical non-current assets (property, plant and equipment, capital work-in-progress, intangible assets, non-current tax assets and other non-current assets) are allocated based on location of the assets.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended 31 March 2023 and 31 March 2022, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
51 Revenue from contracts with customers

The Group derives revenues primarily from sale of high pressure seamless gas cylinders and other cylinders, equipments, appliances and other related services. Further, the Group is engaged in the trading of fire extinguishment and related equipment. The Holding Company is also engaged in trading of castor oil.

Under Ind AS 115, an entity recognises revenue when it transfers control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, the Group assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, the Group considers all of the goods and services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices.

Revenue from sale of goods: The majority of customer contracts that Group enters into consist of a single performance obligation for the delivery of cylinders, fire fighting equipment and castor oil. The Group recognises revenue from product sales when control of the product transfers i.e. generally upon shipment. Some contracts provide customers with a right of return and Company recognises provision for sales return, based on the historical results, measured as net margin of such sale. [Refer notes 16 and 30].

Shipping and handling services: The Group provides shipping and handling services to its customers which is considered as separate performance obligation as per Ind AS 115.

Revenue from long term contracts: The revenue recognition of long term contracts under progress requires forecasts to be made of total budgeted costs with the outcomes of underlying contracts, which further require assessments and judgements to be made on changes in work scopes and other payments to the extent they are probable and they are capable of being reliably measured. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Consolidated Statement of Profit and Loss. Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Sale with right to return : Some contracts provide customers with a right of return and Group recognises provision for sales return, based on the historical results, measured as net margin of such sale. [Refer note 16 and 30].

Disaggregation of revenue
(a) Revenue based on geography

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Within India	78,845.96	126,657.56
United Arab Emirates	17,149.63	22,897.38
United States of America and Hungary	28,439.02	19,345.36
Others	3,014.48	982.52
Total	127,449.09	169,882.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(b) Revenue based on business segment

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Cylinders	122,699.23	161,546.86
Castor oil	2,166.93	5,495.48
Natural gas	-	-
Stores, spares and consumables	42.41	1,091.38
Fire fighting equipment	353.85	153.05
Cascade fittings	146.73	138.40
Others	2,039.94	1,457.64
Total	127,449.09	169,882.81

(c) Revenue based on timing of recognition

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Goods transferred at a point in time	118,883.84	167,470.52
Services transferred over time/control of goods transferred over time	8,565.25	2,412.29
Total	127,449.09	169,882.81

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

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	127,886.90	169,973.41
Sales return	437.81	90.60
Revenue from contract with customers	127,449.09	169,882.81

(e) Contract balances

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables [gross of provision for doubtful debts of ₹ 2,366.63 lakhs (31 March 2022: ₹ 1,898.44 lakhs)]	21,171.34	25,627.18
Revenue received in advance	8,877.89	6,769.29

Significant changes in contract assets balances:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Contract assets/(liabilities)	786.50	(783.22)
Add: Recognised during the year	8,894.93	4,112.78
Less: Invoiced during the year	(11,096.86)	(2,543.06)
Closing balance	(1,415.43)	786.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
52 Earnings per share

(₹ in lakhs, unless otherwise stated)

		Year ended 31 March 2023	Year ended 31 March 2022
I.	Profit after tax from total operations	7,589.11	26,514.92
	Attributed to :		
a)	Equity shareholders of the Holding Company	7,614.33	26,519.46
b)	Non-controlling interests	(25.22)	(4.54)
II	Profit / (Loss) from discontinued operations after tax	-	62.00
III	Profit of continuing operations attributable to Equity shareholders of the Holding Company	7,614.33	26,457.46
IV	Weighted average number of equity shares outstanding during the year	112,207,682	112,207,682
V	Basic and diluted earnings per equity share (₹)		
	(i) Continuing operations (III/IV)	6.79	23.58
	(ii) Discontinued operations (II/IV)	-	0.06
	(iii) Total operations (i+ii)	6.79	23.64
	Face value per equity share (₹)	2.00	2.00

Note :

The Holding Company does not have any outstanding dilutive potential equity shares as at 31 March 2023 and 31 March 2022. Consequently, basic and diluted earnings per share of the Holding Company remains the same.

53 Ind AS 116, 'Leases'
The disclosure required in accordance with Ind AS 116 are as follows:

- The Group leased assets primarily consist of leases for land, building (premises) and warehouses having various lease terms.
- The maturity analysis of lease liabilities are disclosed in note 43(B).
- The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Consolidated Balance sheet discloses the following amounts relating to leases:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Right-of-use assets		
Leasehold land	104.06	105.34
Buildings	2,133.88	1,075.40
	2,237.94	1,180.74
Lease liabilities		
Current	344.83	303.81
Non-current	2,012.25	1,016.86
	2,357.08	1,320.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
Amounts recognised in Consolidated Statement of Profit and Loss:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation / amortisation charge on Right-of-use assets		
Leasehold land	1.29	1.29
Buildings	344.35	336.26
	345.64	337.55
Interest expense included in finance cost	105.96	86.49
Expense relating to short-term leases	125.21	125.59
Total cash outflow for leases during current financial year (excluding short term leases)	488.95	460.34
Additions / (deletion) to the right-of-use assets during the current financial year	1,236.32	-

The movement in lease liabilities is as follows:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	1,320.67	1,693.28
Additions / (deletion) to the right-of-use assets during the year	1,236.32	(5.11)
Interest expense included in finance cost	105.96	86.49
Payment of lease obligations	(488.95)	(460.34)
Foreign currency translation adjustments	183.08	6.35
Lease liabilities	2,357.08	1,320.67
Current	344.83	303.81
Non-current	2,012.25	1,016.86

Details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Less than 1 year	510.69	500.91
1-5 years	1,316.07	990.05
More than 5 years	1,640.03	463.07
	3,466.79	1,954.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
54 Disclosure of ratios

Sr. No.	Type of ratio	Measure (in times / percentage)	Formula for computation	Ratio		Variation in ratio between 31 March 2023 and 31 March 2022	Reasons for Variance higher than 25%
				31 March 2023	31 March 2022		
1	Current ratio	Times	Current assets / Current liabilities	2.72	2.44	11.57%	-
2	Debt-equity ratio	Times	Total Debt / Equity	0.10	0.13	-23.97%	-
3	Debt service coverage ratio	Times	Earnings for debt service* / Debt Service	3.08	5.03	-38.84%	Decrease is majorly on account of increase in debt payments.
4	Return on equity ratio	Percentage	Profit after tax / Shareholders' Equity	7.60%	29.30%	-74.07%	Decrease in return on equity is on account of decrease in revenue and thereby net profit during the year.
5	Inventory turnover ratio	Times	Cost of goods sold / Average inventory	1.82	2.99	-39.26%	Decrease is on account of increase inventory as at reporting date.
6	Trade receivable turnover ratio	Times	Revenue from operations / Average trade receivable	5.99	8.29	-27.71%	Decrease is on account of decrease in revenue from operations and trade receivables.
7	Trade payable turnover ratio	Times	Net purchases / Average trade payables	11.08	11.84	-6.42%	-
8	Net capital turnover ratio	Times	Revenue from operations / Working capital	2.30	3.46	-33.45%	Variance is on account of decrease in revenue from operations.
9	Net profit ratio	Percentage	Net Profit/(Loss) after tax / Revenue from operations	5.95%	15.57%	-61.76%	The decrease in ratio is due to decrease in revenue from operations resulting in decrease in net profit.
10	Return on capital employed	Percentage	Earnings Before Interest and tax / Capital Employed	9.61%	37.19%	-74.17%	Decrease in return on capital employed is majorly on account of decrease in earnings before interest and tax.
11	Return on investment	Percentage	EBIT / Total Assets	7.71%	29.60%	-73.95%	Decrease in return on investment is majorly on account of decrease in earnings before interest and tax.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

* annualised ratios.

Notes:

- a. Earnings for debt service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA).
- b. Debt Service = Finance cost for the year + Repayment of debt within one year.
- c. Cost of Good sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress + Manufacturing expenses (included under the head operating expenses).
- d. Average inventory = (Opening inventory + closing inventory)/2.
- e. Average trade receivables = (Opening trade receivables + closing trade receivables)/2.
- f. Net purchases = Purchases of stock in trade + purchases of raw materials (net of reversal of provision and translation adjustments).
- g. Average trade payables = (Opening trade payables + closing trade payables)/2.
- h. Working Capital = Current Assets - Current Liabilities.
- i. Earnings before Interest and Tax (EBIT) = Profit after exceptional item and before tax + Finance costs (recognised)
- j. Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

55 Research and development expenses

Total research and development expenses incurred at CP Industries Holdings, Inc. were approximately ₹ 31.32 lakhs (31 March 2022: ₹ 20.34 lakhs). The entire research and development costs is not eligible for capitalisation and is debited to the Consolidated Statement of Profit and Loss.

56 Assets pledged as security

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

	As at 31 March 2023	As at 31 March 2022
	(₹ in lakhs)	
Non-current assets		
Property, plant and equipment	35,194.54	27,224.02
Capital work-in-progress	6,405.83	3,704.41
Investment Property	2,346.01	1,094.59
Intangible assets	50.12	58.34
Financial assets		
Trade receivables	400.59	1,080.01
Current assets		
Financial assets		
Trade receivables	19,017.56	22,340.74
Cash and cash equivalents	2,755.21	4,634.01
Bank balances other than cash and cash equivalents	1,543.41	1,302.76
Loans	88.98	74.94
Other financial assets	739.85	310.57
Non financial assets		
Inventories	55,301.35	28,740.92
Other current assets	5,013.36	6,992.86
Assets classified as held for sale	1,184.13	1,082.30
Total assets pledged as security	130,040.94	98,640.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
57 Expenditure towards corporate social responsibility

Section 135 of the Companies Act, 2013 and rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or net profit of ₹ 5 crore or more during the immediately preceding financial year shall ensure that the company spends, in every financial year, atleast 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of the Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Average net profit of the Company as per Section 198 of Companies Act, 2013 during the three immediately preceding financial years	17,380.90	7,362.41
Amount required to be spent as per Section 135 of the Companies Act, 2013 (2% of the average net profit as computed above)	347.62	147.25
Amount spent by the Company during the year*	341.93	153.22
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above**	341.93	153.22
Amount Excess Spend during earlier year carried forward and adjusted in current year	5.97	-
Amount unspent / (excess spent) as at balance sheet date	(0.28)	(5.97)

	Opening Balance	Amount	Amount	Amount spent	Closing Balance
Year ended 31 March 2023	(5.97)	50.00	347.62	291.93	(0.28)
Year ended 31 March 2022	-	-	147.25	153.22	(5.97)

* During the year ended 31 March 2023, amount spent by the Company includes ₹ 50.00 lakhs (31 March 2022: Nil) which has been deposited in escrow account created for CSR with a bank before the reporting date. The Company will contribute the aforesaid funds to a charitable trust as approved by the CSR committee in their meeting dated 08 February 2023.

** The aforesaid payments were made to various charitable trusts for eradication of hunger, poverty, malnutrition and promoting education etc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

58 Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off by Registrar of Companies (ROC).
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) No funds have been advanced or loaned or invested by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

59 The quarterly returns or statements of current assets filed by the Holding Company with banks or financial institutions are in agreement with the books of accounts.

60 The consolidated financial statements were authorised for issue by the Board of Directors on 29 May 2023.

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No: 043334

Place : Mumbai

Date : 29 May 2023

For and on behalf of the Board of Directors

Puneet Khurana

Managing Director

DIN: 00004074

Place : Mumbai

Date : 29 May 2023

Sanjiv Kapur

Chief Financial Officer

Place : Mumbai

Date : 29 May 2023

Ghanshyam Karkera

Director

DIN: 00001829

Place : Mumbai

Date : 29 May 2023

Vishal Totla

Company Secretary

Membership No: A26757

Place : Mumbai

Date : 29 May 2023

FOSTERING POSITIVE CHANGE



EKC has been felicitated by the Hon'ble Governor of Maharashtra, **Shri Bhagat Singh Koshiyari**, for their outstanding contribution to the Food Distribution project for the below-poverty sector and healthcare workers during COVID-19.



EKC extends its support by sponsoring free Eye screenings and cataract surgeries at Bhaktivedanta Hospital in Mira Road.

EKC's generous donation of an ambulance in Palghar contributes to improved emergency response and healthcare access for the local community.

EKC's philanthropic spirit shines as they provide a food delivery truck to The Roti Bank India Foundation, empowering their mission to alleviate hunger among India's underprivileged communities.

EKC'S COMMITMENT TO CSR INITIATIVES



EKC's significant contributions towards school donations are instrumental in fostering education, empowering regional communities, and illuminating a brighter future across India.



EKC fosters environmental stewardship by motivating team members to participate in tree plantation activities at their Tarapur plant, contributing to a greener and more sustainable future.



EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

BUILT ON TRUST, BACKED BY PERFORMANCE

EKC has implemented fire-fighting systems across multiple projects, including the prestigious Coastal Road and Metro developments in Mumbai.

Largest Manufacturer of
High Pressure Gas Cylinders
& vessels from 1 Ltr. to 3000 Ltr.

Powered by 5 plants Located
in India, Dubai & USA

Over 6 million
cylinders sold worldwide

More than 900+ Employees

Our products are globally approved
as per International Standards:
IS/ISO/DOT/EN

Quality Assurance & certified by
Inspection Agencies like PESO/BIS/BV



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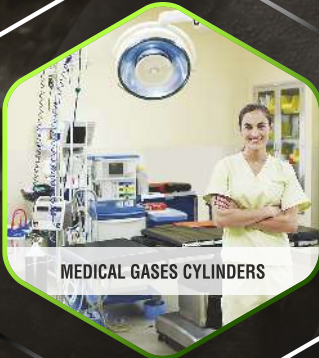
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COMPRESSED NATURAL GAS CYLINDERS



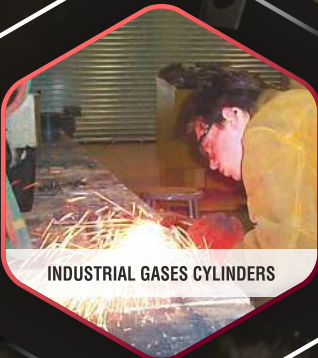
FIRE FIGHTING CYLINDERS



MEDICAL GASES CYLINDERS



BREATHING APPARATUS CYLINDERS



INDUSTRIAL GASES CYLINDERS



FOR BEVERAGE USE



Tarapur, INDIA



Kasez, INDIA



Pittsburgh, USA



Plant 1 - DUBAI



Plant 2 - DUBAI



Clean Energy Solution Company

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