

May 29, 2023

BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532684	National Stock Exchange of India Limited Listing Department Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400 051 NSE Symbol: EKC NSE Series: EQ
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Dear Sir,

Sub: Board Meeting for consideration of Annual Accounts and recommendation of Dividend for the year 2022-23.

The Board of Directors of the Company have at its Meeting held today, inter alia:

- (i) approved the Audited Financial Statements (Standalone and Consolidated) for the year ended March 31, 2023 and Audited Financial Results (Standalone and Consolidated) for the quarter ended March 31, 2023, as recommended by the Audit Committee; and
- (ii) recommended a Final Dividend of Re. 0.70 per share on face value of Re. 2 per share (35%) for the financial year 2022-23, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

2. Walker Chandiook & Co LLP, the Statutory Auditors of the Company have issued their Audit Reports with unmodified opinion on the Audited financial Results (Standalone and Consolidated) for the year ended March 31, 2023. This declaration is made pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Meeting of the Board of Directors commenced at 2:30 p.m. and concluded at 4:55 p.m.

3. Pursuant to Regulation 33 of the Listing Regulations, we enclose the following:
- (i) Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2023 along with Auditors Report thereon;
 - (ii) Audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2023 along with Auditors Report thereon.

4. The aforesaid Financial Results (Standalone and Consolidated) would be uploaded on Company's website www.everestkanto.com.

Encl.

Thanking you,
Yours faithfully,
For Everest Kanto Cylinder Limited

Vishal Totla
Company Secretary and Compliance Officer

**EVEREST
KANTO
CYLINDER
LIMITED**

**Manufacturers
of high pressure
Seamless
Gas Cylinders**

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

To the Board of Directors of Everest Kanto Cylinder Limited

Opinion

1. We have audited the accompanying standalone annual financial results of **Everest Kanto Cylinder Limited** ('the Company') for the year ended **31 March 2023** ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023.

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 Statement* 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company 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, and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the 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 Statement, 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 in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2023 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Murad D. Daruwalla
Partner
Membership No:043334

UDIN:23043334BGSDXL8759

Place: Mumbai
Date: 29 May 2023

EVEREST KANTO CYLINDER LIMITED

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

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A. STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Refer note 3	(Unaudited)	Refer note 3	(Audited)	(Audited)
I	Revenue from operations	18,032	14,323	37,184	78,965	126,782
II	Other income	102	108	484	387	1,065
III	Total Income (I + II)	18,134	14,431	37,668	79,352	127,847
IV	Expenses					
	(a) Cost of materials consumed	11,229	9,224	21,343	48,793	64,857
	(b) Purchases of stock-in-trade	140	33	1,033	2,372	5,837
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(688)	(385)	(1,716)	(3,374)	(1,369)
	(d) Employee benefits expense	818	771	806	3,210	3,139
	(e) Finance costs	222	213	317	820	841
	(f) Depreciation and amortisation	678	538	491	2,229	1,942
	(g) Other expenses					
	- Power and fuel	1,044	950	1,575	4,733	5,373
	- Others	3,331	2,531	4,837	12,471	13,850
	Total Expenses	16,774	13,875	28,686	71,254	94,470
V	Profit before foreign exchange variation gain, exceptional items and tax (III - IV)	1,360	556	8,982	8,098	33,377
VI	Foreign exchange variation gain	61	154	201	746	672
VII	Profit before exceptional items and tax (V + VI)	1,421	710	9,183	8,844	34,049
VIII	Exceptional item gain/(loss) (Refer note 4)	(185)	425	(544)	240	(544)
IX	Profit before tax (VII + VIII)	1,236	1,135	8,639	9,084	33,505
X	Tax (expense) / credit					
	Current tax	(380)	(305)	(1,809)	(2,458)	(7,174)
	Deferred tax	264	219	(155)	579	(3,514)
XI	Profit after tax (IX + X)	1,120	1,049	6,675	7,205	22,817
XII	Other comprehensive income / (loss)					
	Items that will not be reclassified to profit and loss, net of taxes	37	(3)	9	28	(6)
	Total other comprehensive income / (loss), net of taxes	37	(3)	9	28	(6)
XIII	Total comprehensive income, net of taxes (XI+XII)	1,157	1,046	6,684	7,233	22,811
XIV	Paid-up equity share capital (Face Value - ₹ 2 per share)	2,244	2,244	2,244	2,244	2,244
XV	Other equity excluding revaluation reserve				63,637	57,189
XVI	Basic and diluted earnings per equity share (of ₹ 2 each) (not annualised, except for year end) (in ₹)	1.00	0.93	5.95	6.42	20.34



EVEREST KANTO CYLINDER LIMITED
B. STANDALONE BALANCE SHEET

(₹ in lakhs)

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
I ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	20,625	18,294
(b) Capital work-in-progress	5,169	3,127
(c) Investment property	2,346	1,095
(d) Intangible assets	44	32
(e) Financial assets		
(i) Investments	2,519	2,507
(ii) Trade receivables	401	1,080
(iii) Other financial assets	121	1,202
(f) Non-current tax assets (net)	-	592
(g) Other non-current assets	1,675	3,979
Total of non-current assets	32,900	31,908
2 Current assets		
(a) Inventories	28,479	20,210
(b) Financial assets		
(i) Investments	-	1,504
(ii) Trade receivables	10,257	19,452
(iii) Cash and cash equivalents	1,553	2,182
(iv) Bank balances other than cash and cash equivalents	1,256	1,120
(v) Loans	89	68
(vi) Other financial assets	740	318
(c) Other current assets	5,013	6,993
Total of current assets	47,387	51,847
Assets classified as held for sale	1,184	1,082
Total Assets	81,471	84,837
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,244	2,244
(b) Other equity	63,637	57,189
Total equity	65,881	59,433
2 Liabilities		
(i) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	157	43
(ii) Lease Liabilities	1,077	36
(iii) Other financial liabilities	35	25
(b) Deferred tax liabilities (net)	721	1,291
(c) Provisions	295	308
Total of non-current liabilities	2,285	1,703
(ii) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,840	8,651
(ii) Lease Liabilities	127	131
(iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	147	158
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,963	6,982
(iv) Other financial liabilities	1,235	3,307
(b) Other current liabilities	3,697	4,039
(c) Provisions	81	433
(d) Current tax liabilities (net)	215	-
Total of current liabilities	13,305	23,701
Total Equity and Liabilities	81,471	84,837



EVEREST KANTO CYLINDER LIMITED
C. STANDALONE CASH FLOW STATEMENT

(₹ in lakhs)

	Year ended 31 March 2023 (Audited)	Year ended 31 March 2022 (Audited)
A. Cash flow from operating activities		
Profit before tax	9,084	33,505
Adjustments for:		
Excess provision written back	(0)	(56)
Bad debts written off	451	240
Liabilities no longer required written back	(59)	(407)
Provision for doubtful debts	424	44
Excess provision written back of inventories	(16)	(114)
Unrealised foreign exchange loss	32	13
Depreciation and amortisation	2,229	1,942
Impairment of property, plant and equipment and capital work-in-progress	289	544
Loss on sale of property, plant and equipment (net)	247	113
Reversal of provision for contingencies	(104)	-
Dividend income / gain on redemption of investment in mutual fund	-	(46)
Lease rent income	(123)	(100)
Interest income	(118)	(104)
Finance costs	820	841
Profit on of dissolution of subsidiary	(425)	-
Operating profit before working capital changes	12,731	36,415
Adjustment for:		
Increase in inventories	(8,253)	(7,817)
Decrease / (increase) in trade and other receivables	11,178	(9,524)
Decrease in trade and other payables	(4,817)	(3,879)
Operating profit after working capital changes	10,839	15,195
Direct taxes paid (net of refunds)	(1,651)	(7,689)
Net cash generated from operating activities	9,188	7,506
B. Cash flow from investing activities		
Inflow:		
Interest income received	91	90
Dividend Income received/ gain on redemption of investment in mutual fund	-	46
Sale proceeds of property, plant and equipment	82	114
Fixed deposits matured (net)	233	-
Lease rent income	123	100
	529	350
Outflow:		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	4,849	6,611
Fixed deposits placed (net)	-	37
	4,849	6,648
Net cash used in investing activities	(4,320)	(6,298)
C. Cash flow from financing activities		
Inflow:		
Proceeds from non-current borrowings (net)	65	-
	65	-
Outflow:		
Repayment of non-current borrowings	-	2,250
Repayment of current borrowings (net)	3,761	549
Dividend paid	785	337
Finance costs paid	763	945
Payment of lease obligations (including interest on lease liabilities)	253	246
	5,562	4,327
Net cash used in financing activities	(5,497)	(4,327)
Net decrease in cash and cash equivalents (A + B + C)	(629)	(3,119)
Add: Cash and cash equivalents at the beginning of the year	2,182	5,301
Cash and cash equivalents at the end of the year	1,553	2,182
Cash and cash equivalents comprises of the following:		
Cash on hand	23	22
Balances with banks	1,530	2,160
Total cash and cash equivalents	1,553	2,182

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



Notes :

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 May 2023. There are no qualifications in the audit report issued for the year ended 31 March 2023.
- 2 These statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2023 and 31 March 2022 represent the balancing figures between audited figures in respect of the full financial year and those published till the third quarter of the respective financial year, which were subjected to limited review by statutory auditors.
- 4 Exceptional item (loss) / gain represent:
 - a. The Company had registered the dissolution of its wholly owned subsidiary (WOS), EKC Industries (Thailand) Co., Limited, with the Ministry of Commerce, Thailand on 20 August 2021. Subsequently, the liquidation process was completed on 20 December 2022 following which the WOS stands dissolved. Accordingly, the Company has recognised gain of ₹ 425 lakhs on aforementioned dissolution which is presented as exceptional item during the current year ended 31 March 2023.
 - b. Plant and machinery and capital work-in-progress as at 31 March 2023 included certain plant and equipment which has remained idle for a considerable period of time. Accordingly, management has performed an impairment test on these assets and has recorded an impairment provision of ₹ 289 lakhs during the year ended 31 March 2023 (₹ 544 lakhs during the year ended 31 March 2022).
 - c. During the year ended 31 March 2020, pursuant to sale of investment in EKC Industries (Tianjin) Co., Ltd, the Company has created provision towards consideration retained by the buyer for contingencies and open litigations amounting to RMB 2.95 million (Equivalent to INR 353 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 249 lakhs) and accordingly excess provision of RMB 0.87 million (equivalent to INR 104 lakhs) is written back and presented as exceptional item during the quarter ended 31 March 2023.
- 5 In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the consolidated financial results of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial results.
- 6 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. Accordingly, the Company has recognised provision for income tax and deferred tax for the quarter and year ended 31 March 2023 using the new rates.
- 7 Subject to necessary approval by the members in the ensuing Annual General Meeting of the Company, the Board of Directors have recommended a final dividend of ₹ 0.70 per equity share (face value of ₹ 2 each) for the year ended 31 March 2023.
- 8 Figures of previous period / year have been regrouped / rearranged, wherever considered necessary.

For and on behalf of the Board of Directors



Place : Mumbai
Date : 29 May 2023

Puneet Khurana
Managing Director
DIN:- 00004074

Walker Chandiook & Co LLP

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

To the Board of Directors of Everest Kanto Cylinder Limited

Opinion

1. We have audited the accompanying consolidated annual financial results of **Everest Kanto Cylinder Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended **31 March 2023** ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
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 other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2023.

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 Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

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

Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. 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 of 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, 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 respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 specified under section 143(10) of the Act 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 this Statement.
8. As part of an audit in accordance with the 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 Statement, 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.

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

- 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 the Board of Directors.
 - Conclude on the appropriateness of Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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.
9. We communicate with those charged with governance of the Holding Company, 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.
10. 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.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements of three subsidiaries included in the Statement whose financial information (before eliminating intercompany balances / transactions) reflects total assets of ₹ 98,042 lakhs as at 31 March 2023, total revenues of ₹ 48,379 lakhs, total net profit after tax of ₹ 303 lakhs, total comprehensive income of ₹ 3,145 lakhs, and cash flows (net) of ₹ (849) lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

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

Further, of these subsidiaries, two subsidiaries, are located outside India, whose annual financial statements 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 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

The Statement includes the annual financial statements of two subsidiaries, included in the Group, which have not been reviewed / audited, whose annual financial statements (before eliminating intercompany balances / transactions) reflect total assets of ₹ 159 lakhs as at 31 March 2023, total revenues of ₹ Nil, total net (loss) after tax of ₹ (4) lakhs, total comprehensive (loss) of ₹ (4) lakhs for the year ended 31 March 2023, and cash flow (net) of ₹ (13) lakhs for the year then ended, as considered in the Statement. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

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

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Murad D. Daruwalla
Partner
Membership No:043334

UDIN:23043334BGSDXM2649

Place: Mumbai
Date: 29 May 2023

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

Annexure 1

List of entities included in the Statement

Subsidiary Companies

- EKC International FZE
- Calculatta Compressions and Liquifaction 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)

A. STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)				
		Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	Refer note 3	(Unaudited)	Refer note 3	(Audited)	(Audited)	
	Continuing operations					
I	Revenue from operations	29,789	25,638	47,866	127,449	169,883
II	Other income	224	134	753	546	1,361
III	Total Income (I + II)	30,013	25,772	48,619	127,995	171,244
IV	Expenses					
	(a) Cost of materials consumed	15,989	15,541	26,325	75,591	82,482
	(b) Purchases of stock-in-trade	270	22	1,152	2,453	6,077
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,641)	451	(1,419)	(4,960)	618
	(d) Employee benefits expense	2,929	2,711	2,902	11,002	10,053
	(e) Finance costs	318	295	344	1,112	1,064
	(f) Depreciation and amortisation	1,123	970	880	3,955	3,503
	(g) Other expenses					
	- Power and fuel	1,603	1,436	2,184	6,922	7,420
	- Others	5,633	4,027	7,277	20,341	24,038
	Total Expenses	26,224	25,453	39,645	116,416	135,255
V	Profit / (loss) before exceptional items and tax from continuing operations (III - IV)	3,789	319	8,974	11,579	35,989
VI	Exceptional items gain / (loss) (net) (Refer note 4)	(113)	(1,994)	(526)	(2,107)	1,148
VII	Profit / (loss) before tax from continuing operations (V + VI)	3,676	(1,675)	8,448	9,472	37,137
VIII	Tax (expense) / credit					
	Current tax	(316)	(301)	(1,809)	(2,470)	(7,174)
	Deferred tax	265	220	(155)	587	(3,510)
IX	Profit / (loss) after tax from continuing operations (VII + VIII)	3,625	(1,756)	6,484	7,589	26,453
	Discontinued Operations					
X	Profit from discontinued operations before tax	-	-	-	-	62
XI	Tax expense of discontinued operations	-	-	-	-	-
XII	Profit from discontinued operations after tax (X+XI)	-	-	-	-	62
XIII	Profit / (loss) after tax from total operations (IX+XII)	3,625	(1,756)	6,484	7,589	26,515
XIV	Other comprehensive Income / (loss)					
	(i) Items that will not be reclassified to profit and loss (net of tax)	(764)	446	14	71	260
	(ii) Items that will be reclassified to profit and loss (net of tax)	(59)	(544)	573	2,774	1,034
	Total other comprehensive (loss) / Income (net of tax)	(823)	(98)	587	2,845	1,294
XV	Total Comprehensive Income / (loss) (XIII+XIV)	2,802	(1,854)	7,071	10,434	27,809
XVI	Net profit / (loss) for the period / year attributable to :					
	Equity shareholders of the Company	3,639	(1,745)	6,485	7,614	26,520
	Non controlling interests	(14)	(11)	(1)	(25)	(5)
	Total Comprehensive Income / (loss) attributable to :					
	Equity shareholders of the Company	2,814	(1,844)	7,072	10,457	27,814
	Non controlling interests	(12)	(10)	(1)	(23)	(5)
XVII	Paid-up equity share capital (Face Value - ₹ 2 per share)	2,244	2,244	2,244	2,244	2,244
XVIII	Other equity excluding revaluation reserve				97,662	88,025
XIX	Basic and diluted earnings per share (of ₹ 2 each) (not annualised, except for year end) (in ₹)					
	(i) Continuing operations	3.24	(1.57)	5.78	6.79	23.58
	(ii) Discontinued operations	-	-	-	-	0.06
	(iii) Total operations	3.24	(1.57)	5.78	6.79	23.64



EVEREST KANTO CYLINDER LIMITED
B. CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

		As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
I	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	36,831	32,212
	(b) Capital work-in-progress	6,433	3,815
	(c) Investment Property	2,346	1,095
	(d) Intangible assets	50	58
	(e) Financial assets		
	(i) Investments	341	330
	(ii) Trade receivables	401	1,080
	(iii) Loans	-	-
	(iv) Other financial assets	285	1,597
	(g) Non-current tax assets (net)	-	626
	(h) Other non-current assets	1,915	3,979
	Total of non-current assets	48,602	44,792
2	Current assets		
	(a) Inventories	55,419	41,775
	(b) Financial assets		
	(i) Trade receivables	18,404	22,649
	(ii) Cash and cash equivalents	3,470	4,824
	(iii) Bank balances other than cash and cash equivalents	1,543	1,303
	(iv) Loans	167	144
	(v) Other financial assets	957	325
	(c) Other current assets	7,531	12,167
	Total of current assets	87,491	83,187
	Assets classified as held for sale	1,184	1,082
	Total Assets	137,277	129,061
II	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	2,244	2,244
	(b) Other equity	97,662	88,025
	Equity attributable to owners	99,906	90,269
	Non-controlling interests	42	30
	Total equity	99,948	90,299
2	Liabilities		
(i)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	186	75
	(ii) Lease Liabilities	2,012	1,017
	(iii) Other financial liabilities	804	25
	(b) Deferred tax liabilities (net)	692	1,270
	(c) Provisions	1,496	2,220
	Total of non-current liabilities	5,190	4,607
(ii)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	9,385	11,302
	(ii) Lease Liabilities	345	304
	(iii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	147	158
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,505	9,653
	(iv) Other financial liabilities	4,943	2,909
	(b) Other current liabilities	10,945	8,881
	(c) Provisions	686	948
	(d) Current tax liabilities (net)	183	-
	Total of current liabilities	32,139	34,155
	Total Equity and Liabilities	137,277	129,061



EVEREST KANTO CYLINDER LIMITED
C. CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
	(Audited)	(Audited)
A. Cash flow from operating activities		
Profit / (Loss) before tax from:		
Continuing operations	9,472	37,137
Discontinued operations	-	62
Adjustments for :		
Excess provision written back	(0)	(56)
Bad debts written off	451	240
Liabilities no longer required written back	(59)	(267)
Provision for doubtful debts	424	62
Excess provision written back of inventories	(16)	(114)
Government grant accrued in respect of forgivable loan	-	(1,691)
Unrealised foreign exchange variation (gain) / loss (net)	(646)	1,013
Depreciation and amortisation	3,955	3,503
Impairment on property, plant and equipment and capital work-in-progress	289	544
Loss on sale of property, plant and equipment (net)	247	113
Reversal of provision for contingencies	(176)	-
Penalty towards non-fulfilment of contract	1,994	-
Lease rent income	(123)	(100)
Interest income	(121)	(111)
Dividend income/ gain on redemption of investment in mutual fund	-	(46)
Finance costs	1,112	1,064
Operating profit before working capital changes	16,803	41,363
Adjustment for :		
(Increase) / decrease in trade and other receivables	9,858	(12,011)
(Increase) / decrease in inventories	(11,512)	(11,407)
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	(2,885)	6,185
Cash generated from operative activities	12,264	24,120
Direct taxes paid (net of refunds)	(1,658)	(7,696)
Net cash generated from operating activities	10,606	16,424
B. Cash flow from investing activities		
Inflow:		
Lease rent income	123	100
Interest income received	92	91
Dividend income received/ Gain on redemption of investment in mutual fund	-	46
Fixed deposits matured	233	8
Sale proceeds of property, plant and equipment	88	113
Received from liquidator (Discontinued operation)	-	1,851
	536	2,309
Outflow:		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	8,316	8,180
Fixed deposits placed	86	65
	8,402	8,245
Net cash used in investing activities	(7,866)	(6,936)
C. Cash flow from financing activities		
Inflow:		
Proceeds from current borrowings	2,040	-
Proceeds from non-current borrowings	72	-
Proceeds from issue of equity shares to non-controlling interests	-	36
	2,112	36
Outflow:		
Repayment of non-current borrowings	358	2,863
Repayment of current borrowings	3,767	4,270
Finance costs paid	973	1,454
Amount paid to parent company as liquidation proceeds (Discontinued operation)	-	1,951
Dividend Paid	785	337
Payment of lease obligations	480	460
	6,373	11,336
Net cash used in financing activities	(4,260)	(11,299)
D. Effect of changes in exchange rates for cash and cash equivalents	166	17
Net decrease in cash and cash equivalents (A+B+C+D)	(1,364)	(794)
Add: Cash and cash equivalents at the beginning of the year	4,824	5,618
Cash and cash equivalents at the end of the year - Total operations - (I)	3,470	4,824
Less: Balances pertaining to discontinued operations	-	-
Cash and cash equivalents at the end of the year - Continued operations - (II)	3,470	4,824
Cash on hand	44	41
Balances with banks	3,426	4,783
Cash and cash equivalents at the end of the year	3,470	4,824

Note: The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows



EVEREST KANTO CYLINDER LIMITED

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EVEREST KANTO CYLINDER LIMITED

D. SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ In Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	Refer note 3	(Unaudited)	Refer note 3	(Audited)	(Audited)
1. Segment revenue					
<u>Continuing operations</u>					
a) India	18,032	14,323	37,184	78,965	126,782
b) U.A.E (Dubai)	5,125	6,211	5,328	19,940	24,062
c) U.S.A and Hungary	6,672	5,048	5,161	28,439	19,345
d) Others	989	682	258	3,072	1,008
Total	30,818	26,264	47,931	130,416	171,197
Inter segment revenue	1,029	626	65	2,967	1,314
Revenue from continuing operations	29,789	25,638	47,866	127,449	169,883
<u>Discontinued operations</u>					
Thailand	-	-	-	-	-
Revenue from discontinued operations	-	-	-	-	-
2. Segment results					
<u>Continuing operations</u>					
Segment Result (before foreign exchange variation gain / (loss), finance costs and tax):					
a) India	607	1,371	8,855	8,427	33,554
b) U.A.E (Dubai)	536	122	731	1,285	3,914
c) U.S.A and Hungary	1,813	(3,284)	(662)	(570)	1,104
d) Others	754	(738)	(18)	(1)	(230)
Total	3,710	(2,529)	8,906	9,141	38,342
Unallocable income / (expenses) (net)	498	158	(142)	667	39
Foreign exchange variation gain / (loss)	(257)	971	11	670	(266)
Finance costs	275	275	327	1,006	978
Profit / (loss) before tax from continuing operations	3,676	(1,675)	8,448	9,472	37,137
<u>Discontinued operations</u>					
Thailand	-	-	-	-	62
Profit from discontinued operations before tax	-	-	-	-	62
3. Segment assets					
<u>Continuing operations</u>					
a) India	74,934	78,853	78,031	74,934	78,031
b) U.A.E (Dubai)	27,818	27,790	26,687	27,818	26,687
c) U.S.A and Hungary	26,690	26,232	20,870	26,690	20,870
d) Others	3,497	3,396	715	3,497	715
Total	132,939	136,271	126,303	132,939	126,303
Unallocated assets	4,338	2,529	2,758	4,338	2,758
Total segment assets	137,277	138,800	129,061	137,277	129,061
4. Segment liabilities					
a) India	9,392	9,215	13,543	9,392	13,543
b) U.A.E (Dubai)	3,459	3,531	3,762	3,459	3,762
c) U.S.A and Hungary	12,859	14,450	8,956	12,859	8,956
d) Others	1,232	1,641	69	1,232	69
Total	26,942	28,837	26,330	26,942	26,330
Add: Unallocated	10,387	12,817	12,432	10,387	12,432
Total segment liabilities	37,329	41,654	38,762	37,329	38,762



Notes :

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 May 2023. There are no qualifications in the audit report issued for the year ended 31 March 2023.
- 2 These statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under Section 133 of the Companies Act, 2013.
- 3 The figures for the quarter ended 31 March 2023 and 31 March 2022 represent the balancing figures between audited figures in respect of the full financial year and those published till the third quarter of the respective financial year, which were subjected to limited review by statutory auditors.
- 4 Exceptional items gain / (loss) (net) represent:
 - a) During the year ended 31 March 2023, penalty of INR 1,994 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.
 - b) Plant and machinery and capital work-in-progress as at 31 March 2023 included certain plant and equipment which has remained idle for a considerable period of time. Accordingly, management has performed an impairment test on these assets and has recorded an impairment provision of INR 289 lakhs during the year ended 31 March 2023 (31 March 2022: INR 544 lakhs)
 - c) During the year ended 31 March 2020, pursuant to sale of investment in EKC Industries (Tianjin) Co., Ltd, the Holding Company and EKC International FZE (EKC Dubai) had created provision towards consideration retained by the buyer for contingencies and open litigations amounting to RMB 4.61 million (Equivalent to INR 565 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 3.25 million (equivalent to INR 389 lakhs) and accordingly excess provision of RMB 1.36 million (equivalent to INR 176 lakhs) is written back and presented as exceptional item during the year ended 31 March 2023.
 - d) Exceptional item for the year ended 31 March 2022 includes ₹ 1,692 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.
- 5 The Holding Company has registered the dissolution of its wholly owned subsidiary (WOS), EKC Industries (Thailand) Co., Limited, with the Ministry of Commerce, Thailand on 20 August 2021. Subsequently, the liquidation process was completed on 20 December 2022 following which the WOS stands dissolved.
- 6 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 Holding Company, its subsidiaries and step down subsidiaries.
- 7 Profit / (Loss) from discontinued operations is completely attributable to equity shareholders of the Company. Further, Other comprehensive income do not include amounts pertaining to discontinued operations.
- 8 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. Accordingly, the Holding Company has recognised provision for income tax and deferred tax for the quarter and year ended 31 March 2023 using the new rates.
- 9 Subject to necessary approval by the members in the ensuing Annual General Meeting of the Holding Company, the Board of Directors have recommended a final dividend of ₹ 0.70 per equity share (face value of ₹ 2 each) for the year ended 31 March 2023.
- 10 Figures of previous period / year have been regrouped / rearranged, wherever considered necessary.

For and on behalf of the Board of Directors



Puneet Khurana
Managing Director
DIN:- 00004074

Place : Mumbai
Date : 29 May 2023