

February 17, 2021

To,

<b>BSE LIMITED</b>  P.J. Towers, Dalal Street, Mumbai - 400 001  <b>BSE Scrip Code:</b> 532684	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051  <b>NSE Symbol:</b> EKC <b>NSE Series:</b> EQ
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## 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. : +91-22-4926 8300 / 01

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Website : [www.everstkanto.com](http://www.everstkanto.com)

Dear Sir/Madam,

**Sub: Further Clarification with respect to Outcome of the Board Meeting and Disclosure made under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Saturday, February 13, 2021**

With reference to the captioned subject, we further clarify to the exchanges as follows:

**With respect to sale/disposal of EKC Industries (Tianjin) Co. Ltd., Company's Subsidiary in China:**

- i. The Equity Transfer Agreement dated April 15, 2018 executed amongst Everest Kanto Cylinder Limited ("EKC/Company"); EKC International FZE ("EKC Dubai"), Company's Wholly Owned Subsidiary in Dubai (both Seller Companies) and You Yuan Office Union (Tianjin) Co. Ltd., China (Buyer Company), had various Conditions Precedent to the completion of said Equity Transfer Transaction.
- ii. Accordingly, EKC as the Holding Company; EKC Dubai and EKC Industries (Tianjin) Co. Ltd. ("EKC China" - Company being sold) had to abide by various Statutory Compliances and Regulatory Approvals as and where applicable in their respective countries of incorporation viz. India, Dubai and China to conclude the said Equity Transfer Transaction.
- iii. In the due course of time after execution of the Equity Transfer Agreement, EKC, EKC Dubai and EKC China have completed the Statutory Compliances and received Regulatory Approvals pertaining to Transfer of Equity Shares to the Buyer, You Yuan Office Union (Tianjin) Co. Ltd.
- iv. Accordingly, as on December 31, 2020 both EKC and EKC Dubai could complete the Transfer of Equity and thereby handed over the Control to the Buyer on receipt of the entire Sales Proceeds in the Designated Escrow Account.
- v. However, with respect to the Outward Remittance of Sales Proceeds from such Designated Escrow Account to the respective Shareholders



of EKC China, i.e. Everest Kanto Cylinder Limited and EKC International FZE, Dubai, following Approvals/Certificates are pending as on date:

- a. Registration of Change of Equity to be provided by Bank and State Administration of Foreign Exchange (SAFE).
  - b. Outward Remittance certificate from Local Tax Authorities.
- vi. The receipt of the said Approvals from Chinese Authorities and effective Outward Remittance from Designated Escrow Account in China, is expected to be completed by March 31, 2021.
- vii. Considering the aforesaid scenario, the Company was required to seek advice from Advisory Firms in India and China with respect to determination of Effective Transfer Date i.e. date of completion of Equity Share Transfer or the date of receipt of Final Remittance.

On receipt of appropriate clarity/advice on the same, the Company promptly updated the Board Members and the Stock Exchanges on February 13, 2021 with regards to the said Equity Transfer Transaction.

**With respect to investment opportunities in Hungary:**

Further to the announcement made by the Company with respect to the Investment plan of EKC International FZE ("EKC Dubai"), in Hungary, the Board of EKC Dubai has only approved the consideration and evaluation of such Project along with the Local Partner.

On finalization of a Local Partner after appraisal of the Project by the EKC Dubai Board and execution of the Joint Venture Agreement thereafter with such Local Partner by EKC Dubai, Everest Kanto Cylinder Limited being the Holding Company, shall promptly inform the Stock Exchanges pertaining to such update vide disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take note of the said clarification and oblige.

Thanking you,

For **Everest Kanto Cylinder Limited**



**Bhagyashree Kanekar**  
**Company Secretary and Compliance Officer**



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