

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

12th Audited Financial Statements
Year ended March 31, 2018

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Parag Parekh & Co.

Chartered Accountants

باراج بارىخ و شركاه

لمراجعة الحسابات

Independent Auditor's Report to the Sole Shareholder of

EKC International FZE

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

Report on the Financial Statements

We have audited the accompanying financial statements of EKC International FZE, Dubai, U.A.E. which comprise the Statement of Financial Position as at March 31, 2018, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2018, the result of its operations, changes in equity and its cash flows for the year ended March 31, 2018 in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and comply with Law no 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued by Jebel Ali Free Zone Authority, Government of Dubai, UAE.

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

- a Debtors of AED 6,991,074/- are outstanding for more than 6 years and are unsecured and unconfirmed. Management is confident of recovering these debts and hence the same is not provided as doubtful debts. Refer note 6iii in the financial statements.

These are standalone financial statements of the company. Financial statements consolidating the 100% subsidiary EKC Europe GmbH, Germany, 100% subsidiary EKC Hungary Limited, Hungary and its step down 100% subsidiary CP Industries Holding Inc, USA are issued by the ultimate parent Everest Kanto Cylinder Limited, India.

Parag Parekh & Co

Chartered Accountants
Dubai, United Arab Emirates
Dated : May 27, 2018



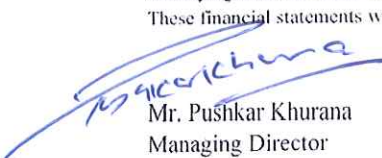
EKC International FZE

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

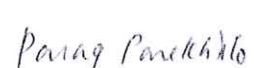
Statement of Financial Position as at March 31, 2018*All figures are expressed in UAE Dirhams*

		As at 31.3.2018	As at 31.3.2017
	Note		
Property, Plant and Equipment			
Gross Block	Sch 1	69,954,226	69,604,829
Less: Accumulated Depreciation		-37,964,494	-36,093,853
Net Block		<u>31,989,732</u>	<u>33,510,976</u>
Capital Work in Progress	3	0	7,707
<i>Sub total</i>		<u>31,989,732</u>	<u>33,518,683</u>
Investment in equity of Wholly Owned Subsidiaries	4	28,383,523	28,383,523
Investment in Joint Venture	5	183,500	183,500
Unsecured Loan given to WOS	10	139,672,010	142,353,987
Loan given to related party	11	46,664,953	40,356,825
Current Assets			
Inventories	6	42,993,863	43,323,793
Sundry Debtors	7	14,436,852	20,016,351
Cash and Bank Balances	8	8,041,715	5,980,165
Deposits, advances & Prepayments	9	5,456,208	1,159,985
Due from Related Parties	12	60,359,989	76,418,497
<i>Sub total</i>		<u>131,288,627</u>	<u>146,898,791</u>
Less : Current Liabilities			
Sundry Creditors	13	9,540,391	12,408,964
Provisions	14	677,633	618,331
Duties and Taxes (Refundable)		-9,211	0
Secured Loans from banks - Current Portion	15	45,480,036	62,087,074
Unsecured loan from Others	16	11,172,888	5,586,444
Unsecured loan from Related Party	17	1,586,934	1,496,468
<i>Sub total</i>		<u>68,448,671</u>	<u>82,197,281</u>
Net Current Assets		62,839,956	64,701,510
Less :Non Current liabilities			
Secured Loans from banks - Non Current Portion	15	418,588	665,005
Net Assets		<u>309,315,086</u>	<u>308,833,023</u>
Shareholders Equity			
Share Capital	1a	1,000,000	1,000,000
Additional Capital	1a	16,203,619	16,203,619
Accumulated Profits		292,111,467	291,629,404
Total		<u>309,315,086</u>	<u>308,833,023</u>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were authorised for issue on May 27, 2018 on behalf of the Board by


Mr. Pushkar Khurana
Managing Director




Parag Parekh & Co
Chartered Accountants



EKC International FZE

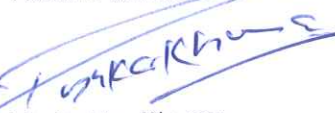
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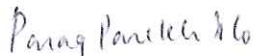
Income statement

Year Ended March 31, 2018

		YE 31.3.2018	YE 31.3.2017
<i>All figures are expressed in U.A.E. Dirhams</i>			
Sales			
Sales -Manufacturing	18	49,128,945	45,590,870
Sales-Trading	19	4,303,256	40,430,448
Sub - total		53,432,201	86,021,318
Increase /(Decrease) in Stock	20	-4,963,694	-3,888,469
Total income		48,468,507	82,132,850
Expenditure			
Raw Materials Consumed	21	19,980,235	17,643,280
Trading Cost of Sales	22	3,559,859	38,505,478
Manufacturing Expenses	23	9,587,751	8,093,652
Personnel Expenses	24	7,312,913	8,736,726
Selling Expenses	25	2,333,271	1,973,211
Administrative Expenses	26	2,608,292	2,927,526
Finance Expenses	27	3,859,046	4,565,521
Depreciation	Sch 1 & 2	2,139,141	2,078,166
Total expenditure		51,380,508	84,523,561
Profit / (Loss) from Operations		-2,912,001	-2,390,711
Other Income	28	3,394,064	2,593,994
Net profit carried to statement of financial position		482,063	203,283

Financial statements were authorised on May 27, 2018 on behalf of the Board by


Mr. Pushkar Khurana
Managing Director


Parag Parekh & Co
Chartered Accountants



EKC International FZE

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

Statement of Changes in Equity

Year Ended March 31, 2018

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

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 1.4.2017	1,000,000	16,203,619	291,629,404	308,833,023
Transfer from Income Statement	0	0	482,063	482,063
Balance as at 31.3.2018	1,000,000	16,203,619	292,111,467	309,315,086

Balance as at 1.4.2016	1,000,000	16,203,619	291,426,121	308,629,740
Transfer from Income Statement	0	0	203,283	203,283
Balance as at 31.3.2017	1,000,000	16,203,619	291,629,404	308,833,023



EKC International FZE

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

Cash Flow Statement in UAE Dirhams

Year Ended March 31, 2018

	YE 31.3.2018	YE 31.3.2017
I Cash flow from Operating Activities		
Net Profit	482,063	203,283
Add: Depreciation	2,139,141	2,078,166
Add: Finance expenses	3,859,046	4,565,521
Add : Loss on Sales of Residential Apartment	0	339,776
Less : Profit on Sale of Vehicles	-58,000	-46,000
Less : Interest income	-3,080,572	-2,538,067
Operating Profit before changes in operating assets and liabilities	3,341,678	4,602,679
Inventories	329,930	7,308,156
Sundry Debtors	5,579,499	6,733,454
Deposits, Advances & Prepayments	-4,296,223	1,465,797
Sundry Creditors	-2,868,573	-1,623,512
Provisions	59,302	-456,485
Duties and Taxes	-9,211	0
Cash generated from / (used in) operations	2,136,402	18,030,089
Less : Finance expenses	-3,859,046	-4,565,521
Net Cash from / (used in) Operating Activities	-1,722,644	13,464,568
II Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	-617,897	-3,634,655
Proceeds from sales of Property, plant and equipment	58,000	1,478,000
Capital Work in progress	7,707	-7,707
Fixed Deposits	-481,587	-2,354,538
Due from Related Parties	16,058,508	-2,484,257
Unsecured Loans given to WOS	2,681,977	2,228,572
Loans Given to Related party	-6,308,128	-1,082,834
Investment in Joint Venture	0	-183,500
Interest Income	3,080,572	2,538,067
Net Cash used in Investing Activities	14,479,152	-3,502,852
III Cash Flow from Financing Activities		
Secured Loans from banks	-218,757	724,020
Unsecured Loans from Others	5,586,444	81,444
Unsecured Loans from EKC Thailand	90,466	90,465
Net Cash from Financing Activities	5,458,153	895,929
Changes in Cash and Cash Equivalents	I+II+III 18,214,661	10,857,645
Cash & Cash Equivalents at the year beginning	-60,143,922	-71,001,567
Cash and Cash Equivalents at the year end	2k & 7 -41,929,261	-60,143,922
	0	0
Supplemental Cash Flow Statement Information		
Non-Cash Transactions	Nil	Nil

EKC International FZE

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

Accounting Policies and Explanatory Notes

Year Ended March 31, 2018

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

1a Legal Status

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

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

The registered office of the company is located at Plot MO0313 and Plot S21004, Jebel Ali Free Zone, Dubai, U.A.E.

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

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

The company has established two branches one in Colombia as per Registration Number 02276436 dated 5th December 2012 and another in Peru as per registration number 13122061 dated 11th November 2013. Separate books of accounts have been maintained for the company and its branches and are combined in these financial statements.

1b Business Activities

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

The company also started trading in Fire Protection Systems (Pre-Engineered & Total Flooding System) under 'Fire Fighting Division' with effect from March 2016. Financial performance for this division is given in para 33 - Segment reporting.



1c **Management**

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

2 **Accounting Policies**

The company presents its annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities - July 2009 (IFRS for SMEs) issued by the International Accounting Standards Board. Management chooses and applies its accounting policies consistently to similar transactions and events, unless otherwise stated.

a **Accounting Basis**

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

b. **Measurement Basis**

These Financial Statements have been prepared on historical cost basis.

c. **Functional/ Presentation Currency**

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

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

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

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

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

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



e Investment in Joint Ventures. (Section 15 -IFRS for SMEs)

A joint venture is a contractual arrangement wherein the 2 or more venturers undertake an economic activity subject to joint control. Jointly controlled entity is one of the forms of joint venture in which the strategic, financial and operating decisions are taken with unanimous consent of all the venturers sharing control.

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

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

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

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

Alternate treatment

Under the equity method, an equity investment is initially recognised at cost (including transaction costs) and subsequently adjusted to reflect the venturer's share of profit or loss of the joint venture reduced by distributions received.

Unrealised profits and losses on transactions with the joint venture need to be eliminated to the extent of the venturer's interest in the joint venture.

When the venturer's share of the losses of an joint venture equals or exceeds the carrying amount of investment in the joint venture, the venturer shall discontinue recognising its share of further losses unless there is a legal obligation or has payments on behalf of the joint venture, in which case, after the investment is reduced to zero, a provision will be created for further losses.

f Inventory (Section 13 -IFRS for SMEs)

Inventories of raw materials, consumables and trading goods have been valued at lower of cost and net realisable value. Cost is determined by FIFO method. Cost includes all the expenses incurred in bringing the inventories to their present location.

Inventories of work in process and finished goods have been valued at lower of cost and net realisable value. Cost is determined by FIFO method. Cost includes cost of raw materials consumed, labour and other manufacturing overheads incurred.

Net realisable value is the estimate of selling price in the ordinary course of business less selling expenses. At each reporting date, inventory is assessed for impairment due to damage and obsolescence. If inventory is impaired, it is measured at its selling price less costs to complete and sell; and to recognise the impairment loss in profit or loss.

g Trade Debtors (Section 11 - IFRS for SMEs)

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

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

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

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

Foreign currency balances are converted into U.A.E. Dirhams at the closing rate of exchange on the last day of the reporting period.

Foreign currency balances outstanding as on Statement of Financial Position date are reinstated into U.A.E. Dirhams at the rate of exchange prevailing on Statement of Financial Position date.

Foreign currency loss or gains arising are accounted to the income statement.

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

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

Where the company is a Lessee:

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

k Revenue Recognition

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

l Borrowing Costs

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred.



m Cash and Cash Equivalents

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

Cash in Hand	31,439	27,727
Balance with Banks		
Current Accounts	3,185,572	1,609,321
Bank Overdraft account	-45,146,272	-61,780,970
	<u>-41,929,261</u>	<u>-60,143,922</u>

3 Capital Work In Progress

Capital WIP -Machinery	0	7,707
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4 Investment in equity of wholly owned subsidiaries (at cost)

4a EKC Hungary Ltd, Hungary	28,247,627	28,247,627
Investment in share capital represents two remittances in U.S.Dollar as under		

	USD	Exchange rate	HUF
Initial Remittance	7,098,089	159.76	1,134,000,000
Conversion of Loan portion into share capital dated 2.9.2010	579,152	228.99	132,620,000
Advance for Capital trf to capital 1.4.2014	11,941	226.95	2,710,010
Share capital as at 31.3.2018	<u>7,689,182</u>		<u>1,269,330,010</u>

i As per management policy, these investments are retained at the rate of exchange on actual remittance. There will be no exchange losses arising due to fluctuations in the USD to HUF rates as the UAE Dirham is pegged to the U.S.Dollar at fixed exchange rate of 1 USD = 3.67 UAE Dirhams. The investments are in US Dollars and the eventual return of capital invested will also be in US Dollars. For info only USD 1 = HUF 252.933 as at 31.3.2018

ii As a part of its globalisation in manufacturing 'CNG and other gases' cylinders, the company has incorporated a wholly owned subsidiary EKC Hungary Ltd. EKC Hungary Ltd, has further incorporated a wholly owned subsidiary CP Industries Holdings Inc., Pittsburgh, USA and acquired net assets of CP Industries, a division of Reunion Industries Inc., USA for USD 60.2M. The consideration was duly financed by bank loans of USD 45M and balance from loans given by the company and its parent Everest Kanto Cylinder Limited, India. The company is also a guarantor to these loans.

4b EKC Europe GmbH, Germany	135,896	135,896
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The company has acquired 100% shares of Blitz D11- eins-sschs-diei GmbH, Germany a shelf company in total purchase consideration of Euro 27,000/-. (25000 shares) full payment has been made on October 1, 2011.

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

Total	(4a+4b)	<u>28,383,523</u>	<u>28,383,523</u>
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5 Investment in Joint Ventures

In Kamal EKC Industries Limited - Tanzania

At cost

The company has a share of 50% in Kamal EKC Industries Ltd - Tanzania.

The company's share capital is 214,246,000/-. EKC, UAE holds TZS 107,123,000/-(TZS 10000 = 1 UAE Dirhams)

Investment is in the name of Mr. Pushkar Khurana, which will be changed in the name of the company in due course.

183,500	183,500
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6 Inventories (at FIFO method)

(As Valued & Certified by Managing Director)

Raw materials- Pipes	11,424,659	8,337,064
Raw materials - Valves	194,823	292,117
Work-in-Process	17,806,359	14,509,305
Finished Goods	6,426,757	13,176,104
Trading Goods - Cylinders	2,447,418	2,801,319
Fuel & Gas	49,298	47,374
Stores and Consumables	4,887,878	4,160,510
	43,237,192	43,323,793

Less : Provision for Slow moving

-243,329 0

42,993,863 43,323,793

7 Sundry Debtors

Outstanding for less than six months

- Secured By LC /PDC

- Unsecured

2,325,459 0

1,433,002 11,025,276

3,758,461 11,025,276

Outstanding for more than six months

- Unsecured

10,678,391 8,991,075

14,436,852 20,016,351

Notes:

- Balances are taken as per books pending confirmations.
- As at May 1, 2018 subsequent amount received from debtors is AED 2,563,713
- Debtors of AED 6,991,075/- are outstanding for more than 6 years and are unsecured and unconfirmed. Management is confident of recovering these debts hence the same is not provided as doubtful debts.

8 Cash & Bank Balances

Cash On Hand

31,439 27,727

Balance with Banks

Bank Current accounts

3,185,572 1,609,321

Fixed deposits (Under lien)

4,824,704 4,343,117

8,041,715 5,980,165

9 Deposits, Advances & Prepayments*(unsecured and considered good)*

Deposits	228,114	253,613
Advances to suppliers excluding Machinery	4,708,174	181,015
Advance to staff	3,443	50,030
Prepaid expenses	516,477	675,327
	<u>5,456,208</u>	<u>1,159,985</u>

10 Unsecured Loans given to Subsidiaries

a Loan given to wholly owned subsidiary, EKC Hungary	51,464,766	56,052,266
Interest receivable	0	0
b Loan given to wholly owned subsidiary EKC Europe GmbH)	1,435,363	1,435,363
Germany		
Unrealised Gain/(Loss) on Loans Given	0	0
Interest receivable	228,455	187,086
c Loan given to step down subsidiary, CP Industries Holdings	77,592,608	77,592,608
Inc., USA		
Interest receivable	8,950,818	7,086,664
	<u>139,672,010</u>	<u>142,353,987</u>

Notes:

- i The company has given US Dollar loans to it's Wholly Owned Subsidiary EKC Hungary Ltd, Hungary. The loan is interest free from 1.4.2010 as per amended loan contract dated 1-6-2010. The company was charging floating rates of interest (3 months LIBOR +1 %) till 31.3.2010. It's repayable on demand.
- The loan is repayable on demand but there is no repayment since 12.4.2008 hence it is taken to non current assets.
- ii The company has given Euro loans to it's Wholly Owned Subsidiary EKC Europe GmbH, Germany at the interest of 3 months LIBOR + 3 %. p.a.. The loans are repayable in four years (As amended) from the date of each disbursement.
- Since the principal amount & interest outstanding on these loans are receivable only on maturity, these are considered as a non current assets.
- As per management policy, these loans are retained at the rate of exchange on actual remittance. The Loans given are in Euro and the repayment of loans will also be in Euro.
- iii The company has given US Dollar loans to it's step down wholly owned subsidiary CP Industries Holdings Inc., USA bearing interest at floating rates of 3 months LIBOR + 1 % repayment date extended up to 31.3.2019; however it is not been repaid since July 2010 hence it is presented as non current assets.



11 Loans given to related party

Project loan given to EKC China	26,185,450	26,185,450
Interest receivable on Project loan to EKC China	3,225,343	2,439,783
	<u>29,410,793</u>	<u>28,625,233</u>
Working Capital Loan given to EKC China	15,047,000	9,909,000
Interest receivable on Working Capital loan to EKC China	2,207,160	1,822,592
	<u>17,254,160</u>	<u>11,731,592</u>
	<u>46,664,953</u>	<u>40,356,825</u>

Notes:

- The company has agreed to give Project loan of USD 10 Million & Working Fund Loan of USD 5 Million to it's related party EKC Industries (Tianjin) Co. Ltd, China (Wholly Owned Subsidiary of Everest Kanto Cylinder Limited, India). Partial loans have been given under both loan agreements at the statement of financial position date.
- The Project loan of USD 10 Million are unsecured bearing interest rates of 3% per annum. Repayment of these loans are extended up to 10-Dec-2019 however there is no repayment from 2011 Hence it is treated as non current assets.
- The Working Fund Loan of USD 5 Million are unsecured bearing interest rates of 3% per annum. Repayment of these loans are extended up to 10-Dec-2018 however there is no repayment from 2011 Hence it is treated as non current assets.

12 Due from Related Parties (Net)

a EKC Industries -Dubai Branch of Parent Company -(net)	1,707,923	1,708,025
b EKC Industries (Tianjin) Co. Ltd, China	4,250,447	3,758,117
c Everest Kanto Cylinder Ltd, India (Parent Company)-(net)	52,719,992	69,902,069
d C.P.Industries Holding Inc., USA (Step Down WOS)	-1,229,046	-617,323
e EKC Europe GmbH, Germany (wholly owned subsidiary)	6,458,646	5,215,582
f EKC (Industries) Thailand Co Ltd (WOS of Parent Co)	-3,547,973	-3,547,973
<i>Balances are Confirmed by Related parties</i>	<u>60,359,989</u>	<u>76,418,497</u>



13 Sundry Creditors

For Raw Materials	0	872,977
For Capital expenditure	0	1,475
For Consumables, fuel and gas	1,967,781	1,611,579
For Expenses	1,156,348	1,159,422
For Trading Goods	2,972,737	7,911,983
Advances from sundry debtors	3,443,525	851,528
	<u>9,540,391</u>	<u>12,408,964</u>

Balances are taken as per Books pending confirmations

14 Provisions

Outstanding expenses	226,131	171,654
Salaries and wages payable	451,502	446,677
	<u>677,633</u>	<u>618,331</u>

15 Secured loans from Banks - Current

Bank Overdraft	45,146,272	61,780,970
Vehicle Loans from Bank -Current	333,764	306,104
	<u>45,480,036</u>	<u>62,087,074</u>

Secured loans from Banks - Non Current

Vehicle Loans from Bank	418,588	665,005
Total	<u>45,898,624</u>	<u>62,752,079</u>

Notes:

- a **Bank Overdraft facility from Emirates NBD Bank** is secured by Standby Letter of Credit of USD 2M given by ICICI Bank Limited (DIFC Branch), Dubai, bearing interest rate of monthly EIBOR +2.75% p.a. with a minimum applicable interest rate of 3.25% p.a.; The facility is denominated in UAE Dirham's.
- b **Bank Overdraft facility from National Bank of Fujairah** is bearing interest rate of 1.85% p.a. over one month LIBOR, Subject to variation. The facility is denominated in UAE Dirham's.
- c **Bank Credit Facility of USD 10 million from IDBI Bank Limited** bearing rate of Interest of 6M LIBOR + 600 bps, payable on monthly basis and is secured by : Assignment of Receivables, Promissory note, Stock in trade, Lien over cash margin, Corporate guarantee (unconditional / irrevocable) of Everest Kanto Cylinder Ltd, India and Possessory pledge of Plant and machinery AED 41.7 Mn under UAE/DIFC Law.
- d **Vehicles loans** are secured by hypothecation of vehicles and are at fixed rates of interest. These loans are repayable in 48 monthly instalments.



16 Unsecured Loan from Others	11,010,000	5,505,000
Interest Payable on Loan taken	162,888	81,444
	<u>11,172,888</u>	<u>5,586,444</u>

Unsecured loan from Others is denominated in USD, Payable on demand and rate of interest is 6% pa.

17 Unsecured Loan from Related Party

EKC Industries (Thailand) Co. Ltd.	1,247,800	1,247,800
Interest Payable on Loan taken	339,134	248,668
	<u>1,586,934</u>	<u>1,496,468</u>

Notes:

- i The company has taken Loan in USD from related party EKC Industries (Thailand) Co. Ltd. (Wholly Owned Subsidiary of Everest Kanto Cylinder Ltd., India)
- ii The Loan is Unsecured, repayable on demand, bearing interest rate of 7.25% p.a.,

18 Sales - Manufacturing

Sales -Mfg. - Export -CNG Cylinders	35,032,941	29,222,505
Sales -Mfg. - Local -CNG Cylinders	5,400,879	4,986,998
Sales -Mfg. - Export -Semi Finished Steel Shell EKC Mumbai	8,695,125	11,381,367
	<u>49,128,945</u>	<u>45,590,870</u>

19 Sales Trading

Sales -Trading -Iron Ore Lumps	0	34,939,947
Sales -Trading -Pipes - EKC Mumbai	378,537	2,352,403
Sales Trading - CNG Vessels Storage Assembly	2,752,206	1,445,980
Sales -Trading -Fire Fighting	169,242	96,640
Sales Trading - Fire Fighting Division - EKC Mumbai	355,271	0
Sales -Trading -Export - Cylinders	243,544	712,604
Sales -Trading -Cascade	0	406,440
Sales -Trading -Industrial Cylinders	1,230	9,495
Sales -Trading -Stores and Consumable	35,445	86,928
Sales -Trading -Stores Consumable -Others	5,138	27,955
Sales -Trading -Export - Valves	13,175	10,019
Sales -Trading -Local - Valves	45,480	17,971
Freight Collected From Others	162,985	164,343
Sales Scrap	141,003	186,666
Discount Given	0	-26,943
	<u>4,303,256</u>	<u>40,430,448</u>



20 Decrease / (Increase) in Stock**Work in Process**

Opening stock	14,509,305	16,720,837
Closing Stock	-17,806,359	-14,509,305
Provision for Slow Moving	82,230	0
Sub total	a	-3,214,824

Finished goods

Opening stock	13,176,104	11,936,741
Transfer from Trading FG	1,429,171	2,916,300
Closing Stock	-6,426,757	-13,176,104
Sub total	b	8,178,518
Total	a+b	4,963,694

21 Raw Materials Consumed

Opening Stock	8,629,181	14,606,090
Transfer to Trading Pipes	-691,710	-2,957,624
Purchases and direct expenses	23,662,246	14,623,995
Closing stock	-11,619,482	-8,629,181
	19,980,235	17,643,280

22 Trading cost of sales

Opening Stock- cylinders	2,801,319	4,758,820
Trading Purchase -Cylinders - others & Direct Expenses	3,943,419	3,194,688
Trading Purchase - Iron Ore Lumps	0	33,311,965
Transfer from RM Pipe to Trading Pipe	691,710	2,957,624
Transfer Trading Cylinder to FG	-1,429,171	-2,916,300
Closing Stock -cylinders	-2,447,418	-2,801,319
	3,559,859	38,505,478

23 Manufacturing Expenses**Fuel and Gas consumed**

Opening stock	47,374	31,819
Purchases	1,664,027	1,613,966
Closing Stock	-49,298	-47,374
Sub total	a	1,662,103

Stores, Spares & Tools

Opening Stock	4,160,510	2,577,642
Purchase	3,219,735	2,651,505
Closing Stock	-4,887,878	-4,160,510
Sub total	b	2,492,367

Other Manufacturing overheads

Total	c	5,433,281
	a+b+c	9,587,751

24 Personnel Expenses

Wages and benefits to supervisors and workers	4,277,974	4,579,548
Salaries and benefits to staff	1,782,029	2,846,027
Salaries and benefits to Directors	1,252,910	1,311,151
Total	7,312,913	8,736,726

25 Selling Expenses

Advertising Expenses	180,456	157,768
Carriage Outward	68,010	83,845
Clearing & Forwarding (export)	1,130,893	964,940
Sales Promotion Expenses	154,668	310,688
Commission on Sales	311,078	71,402
Packing Expenses	403,659	346,053
Handling Fees - Export	5,690	0
CSC Certification Charges	62,207	20,185
Export Certification Charges	16,610	18,330
	2,333,271	1,973,211

26 Administrative Expenses

Travelling Expenses	845,427	703,235
Insurance (General)	301,190	241,343
Get Pass Expenses	1,066	0
Visa Expenses	160,078	206,693
Office Expenses	110,193	325,565
Flat Maintenance Expenses -Brokers etc.	206,441	156,315
Professional Fees	41,000	3,793
Staff Welfare	91,159	178,614
Telephone Expenses	125,276	157,673
Motor Car Expenses (Petrol, Parking Etc.)	91,183	93,106
Legal & Professional Charges	150,213	78,206
Audit Fees	67,500	67,500
Guest / Visitors Expenses	46,088	73,672
Printing & Stationary.	26,193	49,687
Motor Car Repairs	34,536	30,498
Postage & Courier Charges	39,781	34,318
Insurance (Director)	44,009	15,662
Licenses fees	24,360	24,360
Medical Insurance -Staff	111,080	0
Medical Reimbursement	3,622	-6,248
Mortgage Registration & Release	40,978	0
Registration Fees	10,400	8,200
Repairs Computer	0	3,790
Legalization & Documentation	31,878	7,135
Parking Charges	349	0
Set up charges - Peru	4,298	67,130
Discount and /Sundry Balance W/off	-6	67,503
Loss on Sale of Property	0	339,776
	2,608,292	2,927,526

27 Finance Expenses

Interest/Charges on overdraft	2,963,019	3,629,547
Bank Charges	66,656	71,151
Bank Charges- Salary Transfer	21,557	18,045
Bank Charges - Export	35,953	15,407
Bank Charges on Debtors Collection	32,219	20,952
Guarantee Commission to Parent Company	189,633	246,845
Interest on loans to EKC Industries Thailand Co Ltd	90,465	90,466
Interest expense on Unsecured Loan	517,018	337,539
Interest on Vehicle Loans	43,845	34,742
Foreign exchange Gain/Loss - Others	-101,319	100,827
Discounting Interest	0	0
	<u>3,859,046</u>	<u>4,565,521</u>

28 Other Income

Profit on sale of Vehicle	58,000	46,000
Sundry balances written back	50,208	2,102
Discount Received	79,057	0
Inspection Income	7,615	918
Interest income on Loan To CP Industries	1,864,154	1,403,489
Interest income on Loan To EKC China	1,170,128	1,082,833
Interest income on Loan To EKC Europe	41,369	37,938
Interest on Fixed Deposits etc.	4,921	13,807
Other income	118,612	6,907
	<u>3,394,064</u>	<u>2,593,994</u>

29 Lease commitments

The company has entered into lease agreements with Jebel Ali Free Zone Authority, for two plots of land in Jebel Ali Free Zone :

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

The lease is for the period 25.8.2016 to 24.8.2031 at a current annual rent of AED 510,000/-. The unexpired portion of the lease commitment as at the statement of financial position date

6,842,500 7,342,903

b Plot S21004 - (Being Utilise for Plant II, Located at Jebel Ali Free Zone (South), Dubai.)

The lease is for the period 5.10.2015 to 4.10.2025 at a annual rent of AED 1,022,840/-. The unexpired portion of the lease commitment as at the statement of financial position date is

7,671,300 8,694,140

Total

14,513,800 16,037,043



30 Purchase commitments and Contingent liabilities

Letters of credit	0	7,014,086
Letters of Guarantees	7,340,000	7,340,000
Letter of Guarantees (staff visas)	850,000	850,000

31 Significant Events occurring after the Statement of Financial Position date

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

32 Related Parties (Section 33 - IFRS for SMEs)

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party contained in the International Accounting Standard-24. The company sells to /buys from its related party on arms length basis and / or at cost plus margins.

Transactions and balances with related parties are as under :

i Everest Kanto Cylinder Ltd, India (Parent Company)

Transactions

Semi Finished (Steel Shell) - EKC Mumbai	Credit	8,695,125	11,381,367
Sales - Trading (Pipes)	Credit	378,537	2,352,403
Sales Trading - Fire Fighting Division	Credit	355,271	32,155
Purchases -R.M.Pipes	Debit	667,544	88,631
Purchases - Stores Consumable / Machine Spares	Debit	483,940	584,263
Purchase Trading (Cylinders)	Debit	189,372	0
Purchase Semi Finished R .M.(Steel Pipes)	Debit	182,766	0
Guarantee Commission expenses	Debit	189,633	246,845

Balances at statement of financial position date

Receivables

EKC Mumbai - RM Pipe- Debtors	13,048,647	12,670,109
EKC Mumbai -Cylinders- Debtors	34,191,210	26,182,000
EKC Mumbai -Fire Fighting - Debtors	387,426	32,155
EKC Mumbai -Cylinders- Creditors	4,477,400	31,173,164
EKC Mumbai	681,769	131,269
	<u>52,786,452</u>	<u>70,188,697</u>

Payable

Payable to EKC Mumbai for Stores/ Machine Purchase	28,292	163,557
EKC -Mumbai (Others) -Guarantee commission payable	38,168	123,071
	<u>66,460</u>	<u>286,628</u>

Net Receivable (All long term & short term, Confirmed by Parent Company)

52,719,992	69,902,069
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Shareholders Equity

Share Capital	Credit	1,000,000	1,000,000
Additional Share Capital	Credit	16,203,619	16,203,619
Accumulated Profits	Credit	292,111,467	301,219,007
		<u>309,315,086</u>	<u>318,422,626</u>

ii **EKC Industries, Dubai, UAE**

No Transactions During the year

Balance as at statement of financial position date	Debit	1,707,923	1,708,025
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iii **EKC Hungary Ltd, Hungary** (wholly owned subsidiary)

No Transactions During the year

Credit	Nil	Nil
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Balance as at statement of financial position date

Loans Given to EKC - Hungary	Debit	51,464,766	56,052,266
Interest receivable from EKC Hungary	Debit	0	0
Investment in Share Capital -EKC Hungary	Debit	28,247,627	28,247,627
		<u>79,712,393</u>	<u>84,299,893</u>

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

Trading Purchase Cylinders		921,537	941,355
Sales-Export- CNG -MFG		309,814	324,032
Interest income on Loan To CP Industries	Credit	1,864,154	1,403,489

Balance as at statement of financial position date

Loans given to CP Industries	Debit	77,592,608	77,592,608
Interest receivable on loan to CP Industries	Debit	8,950,818	7,086,664
		<u>86,543,426</u>	<u>84,679,272</u>

v **EKC Industries (Tianjin) Co. Ltd, China****Transactions**

Kelly Tube Storage Assembly - in Skid, - Purchase	Debit	0	539,123
CNG Jumbo Cylinders Purchase	Debit	0	148,635
CNG Vessels Storage Assembly	Debit	2,184,384	1,168,895
Clearing & Forwarding (export)	Debit	0	22,020
Interest Income on Loan	Credit	1,170,128	1,082,833

Balance as at statement of financial position date

Loans given	Debit	41,232,450	36,094,450
Interest receivable on loan	Debit	5,432,503	4,262,375
EKC China Debtors - Cylinder	Debit	2,324,064	1,831,734
EKC China Debtors - Pipe	Debit	1,835,000	1,835,000
EKC China Debtors - Clearing Forwarding	Debit	91,383	91,383

vi **EKC Europe GmbH, Germany**

Transactions

Clg & Forwarding Inward -RM	Debit	0	6,531
Store and Consumables Purchase	Debit	48,061	21,495
R.M. Valve purchase	Debit	0	67,620
Interest Income on Loans given to WOS	Credit	41,369	37,938
Sales - Export -CNG Mfg.	Credit	2,320,842	0
Sales - Export -Cascade	Credit	1,468,000	0
Sales - Export -Industrial Cylinders	Credit	5,537,233	9,550,075

*Note

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

Balance as at statement of financial position date

Investment in Share Capital	Debit	135,896	135,896
EKC Europe -Cylinders Debtors	Debit	6,524,423	5,493,404
EKC Europe (Store & Consumables)	Credit	34,881	187,445
EKC Europe (others) - Clearing & Forwarding	Credit	30,896	44,688
EKC Europe (commission)	Credit	0	45,689
Loans given to WOS	Debit	1,435,363	1,435,363
Interest receivable on Loans given to WOS	Debit	228,455	187,086

vii **EKC Thailand Co Ltd**

Transactions

Interest on Loan Taken	Credit	90,465	90,466
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Balances

Credit	5,134,907	5,044,441
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33 Segment reporting

The financial performance of the Fire Fighting Division is as under :

Sales	646,063	96,640
Cost of Sales		
Opening Stock	512,780	512,780
Purchase	648,126	390,074
Direct Expenses	72,808	60,080
Closing Stock	(676,690)	(512,780)
	<u>557,024</u>	<u>450,154</u>
 Gross Profit	89,039	(353,514)
Indirect Expenses	966,733	944,945
Indirect Income	0	(1,500)
Net Loss	<u>(877,694)</u>	<u>(1,299,959)</u>

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

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

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

a Fair Values

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

b Credit Risk, and Exchange Rate Risk Exposure.

i Credit Risk

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

The company's bank balances are placed with high credit quality financial institutions. As at March 31, 2018 three parties represented 85.29% of the outstanding trade debtors. (As at 31.3.2017 - three parties represented 90.76%)

Country-wise break up of Trade Debtors :

U.A.E.	7,691,063	10,092,945
Hong Kong	3,687,317	8,303,317
Colombia	95,457	873,425
Mexico	458,998	558,124
Peru	83,065	188,539
Bangladesh	690,254	0
Egypt	1,635,205	0
Bahrain	57,380	0
K.S.A.	38,114	0
Total	<u>14,436,852</u>	<u>20,016,350</u>

ii **Exchange Rate Risk**

There is no significant exchange rate risk on U.S.Dollars financial assets and liabilities as the UAE Dirham is pegged to the U.S. Dollar (1 USD = 3.67 Dirhams). There are no significant foreign currency financial assets and liabilities other than US Dollar outstanding as at the statement of financial position date.

35 Number of Personnel

Managing Director	1	1
Executive Director	1	1
Vice President (Fire Fighting Division)	1	1
Staff	14	14
Supervisors	19	19
Labours	129	134
	<u>165</u>	<u>170</u>

36 Previous Year's Figures

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

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

38 Additional information pursuant to **Part II of Schedule VI** of the Indian Companies Act 1956. (disclosed for the purpose of consolidation with Parent Company's financial statements)

	YE		YE	
	31.3.2018		31.3.2017	
a Manufacturing Operations (CNG Cylinders)				
Licenced Capacity	Nil		Nil	
Installed Capacity (no's) @ 24 hours per day	240,000		240,000	
Number of manufacturing plants	2		2	
Units Produced during the year (numbers)	89,734		111,176	
b Quantitative Reconciliation	31.3.2018	31.3.2018	31.3.2017	31.3.2017
i Manufactured Goods - CNG Cylinders	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	18,283	13,176,104	20,245	11,936,741
Production	89,734	35,513,765	111,176	28,895,618
Sales at sale value	92,845	49,128,945	110,574	45,590,870
Closing stock	9,567	6,426,757	18,283	13,176,104
ii Raw Materials -Pipes and valves	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
Opening stock	1,936	8,629,181	3,797	14,606,090
Purchase and direct expenses	2,655	23,662,246	5,620	14,623,995
Consumption	5,997	17,824,121	6,741	17,540,142
Transfer to Trading - Pipes	104	691,710	740	3,037,994
Transfer to Trading- Valves (in Pcs)	1,319	37,330	710	22,768
Closing stock	3,272	11,619,482	1,936	8,629,181

iii	Traded Goods - Cylinders (various types)	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Opening stock	6,473	2,288,539	11,229	4,580,972
	Purchase	213	0	100	947,961
	Sales at sale value	189	244,774	756	323,295
	Transfer to FG	2,563	1,429,171	4,100	2,917,099
	Closing stock	3,934	1,770,728	6,473	2,288,539
iv	Traded Goods - Fire Fighting (various types)		<i>Value</i>		<i>Value</i>
	Opening stock		512,780		177,848
	Purchase		648,126		362,130
	Sales at sale value		169,242		27,198
	Closing stock		676,690		512,780
v	Traded Goods - Pipes (raw material)	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Transfer From Raw Material	104	691,710	703	3,037,994
	Sales at sale value	103,663	378,537	703	2,352,403
vi	Traded Goods - Jumbo Cylinders	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Jumbo Cylinders Assembly -Purchase	0	0	0	0
	Jumbo Cylinders Assembly - Sales	0	0	0	0
vii	Traded Goods - Valves	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Trading purchase Valves	0	0	710	22,768
	Transferred from RM Valves	0	37,330	0	0
	Trading Sales Valves	1,319	58,655	710	27,900
viii	Traded Goods-CNG Vessel Skid/Storage Assembly	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Trading Purchase -CNG Vessels Storage Assembly	6	2,184,384	4	1,168,895
	Trading Sales- CNG Vessels Storage Assembly	6	2,752,206	4	1,445,980
ix	Traded Goods- Cascade	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Trading Purchase - Cascade	0	0	3	324,795
	Trading Sales- Cascade	0	0	3	406,440
x	Traded Goods-Iron Ore Lumps	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase (Iron Ore Lumps)	0	0	137,070	33,311,965
	Trading Sales - Iron Pipes Lumps	0	0	137,070	34,939,947



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

Property, Plant and Equipment
Year Ended March 31, 2018
All figures in UAE Dirhams

Particulars	Gross Block				Depreciation					Net Value	
	Cost at 1 4 2017	Additions	Disposals	Cost at 31 3 2018	As at 1 4 2017	Additions	Disposal	As at 31 3 2018	SLM Rate	As at 1 4 2017	As at 31 3 2018
Factory Building - I	10,577,886	157,975	0	10,735,861	3,823,872	421,098	0	4,244,970	3.33%	6,754,014	6,490,891
Factory Building - II	10,637,584	0	0	10,637,584	2,898,291	354,421	0	3,252,712	3.33%	7,739,293	7,384,872
Residential Apartments	1,943,860	0	0	1,943,860	195,131	32,437	0	227,568	1.67%	1,748,729	1,716,292
Plant and Machinery- I	21,220,595	72,350	0	21,292,945	13,125,451	490,281	0	13,615,732	4.00%	8,095,144	7,677,213
Plant and Machinery -II	20,702,182	0	0	20,702,182	14,149,867	402,005	0	14,551,872	4.00%	6,552,315	6,150,310
Factory Equipment	601,790	29,050	0	630,840	208,570	44,652	0	253,222	6.67%	393,220	377,618
Vehicles	1,689,135	328,097	-268,500	1,748,732	571,786	192,352	-268,500	495,638	12.50%	1,117,349	1,253,094
Furniture and Fixtures	1,701,452	14,600	0	1,716,052	680,053	156,496	0	836,549	10.00%	1,021,399	879,503
Computers	282,769	11,675	0	294,444	209,204	39,379	0	248,583	33.33%	73,565	45,861
Equipment (employees)	9,445	0	0	9,445	9,444	0	0	9,444	20.00%	1	1
Air Conditioners	115,684	4,150	0	119,834	99,737	6,020	0	105,757	20.00%	15,947	14,077
Office Equipment	122,447	0	0	122,447	122,447	0	0	122,447	20.00%	0	0
Total	69,604,829	617,897	-268,500	69,954,226	36,093,853	2,139,141	-268,500	37,964,494		33,510,976	31,989,732

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Notes :

Residential Apartments consist 5 residential apartments are exclusive mortgage with IDBI Bank against Bank Facilities.

Vehicles (cost) hypothecated against loans taken are : 1,333,000

Factory Buildings are constructed on leasehold land.



EKC International FZE

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

"Other Information"

Year Ended March 31, 2018

All figures in UAE Dirhams

		YE 31.3.2017
1 Significant Ratios		
Profit on trading sales	743,397	1,924,970
Margin on trading sales	17.28%	4.76%
Net Profit / (Loss) from manufacturing sales excluding other income	-3,655,398	-4,315,681
Net Margin on manufacturing sales & Increase in stock	-8.28%	-10.35%
Raw materials consumed to mfg. sales & Increase in stock	45.24%	42.31%
Mfg. overheads to mfg. sales & Increase in stocks	21.71%	19.41%
Personnel costs to mfg. sales & Increase in stocks	16.56%	20.95%
Selling costs to mfg. sales & Increase in stocks	5.28%	4.73%
Admin costs to mfg. sales & Increase in stocks	5.91%	7.02%
Finance costs to mfg. sales & Increase in stocks	8.74%	10.95%
Depreciation to mfg. sales & Increase in stocks	4.84%	4.98%
Profit / (Loss) from operations on total income (%)	-6.01%	-2.91%
Net Profit on sales (%)	0.90%	0.24%
Return on Average Investment (%)	0.16%	0.07%
Fixed assets turnover (times)	1.54	1.36
Current Ratio (Times)	1.92	1.79
Debt/ Equity Ratio (Times)	0.22	0.27
Inventory Turnover (Times)	1.24	1.99
Inventory Turnover (days)	294	184
Debtors turnover (days)	99	85
Creditors for raw materials turnover (days)	0	22

2 Bank credit facilities in US Dollars

Type	Limits	Utilization
Overdraft / Trust Receipts / Local cheques discounted / Foreign Bills discounted	\$16,775,000	\$12,301,437
	<u>\$16,775,000</u>	<u>\$12,301,437</u>

Bankers (having credit facilities)

ICICI Bank Limited (DIFC Branch), Dubai, U.A.E.

Emirates NBD Bank, Dubai, U.A.E.

National Bank of Fujairah, Dubai, U.A.E.

IDBI Bank Limited (DIFC Branch), Dubai, U.A.E.

3 Business Risks And Coverage in AED

Insurance :

	Policy Value	Book Value
Building I, Furniture etc. on Plot MO 313	8,500,000	6,490,891
Building II, Furniture etc. on Plot S2 1004	6,500,000	7,384,872
Plant and Machinery I on Plot MO 313	15,000,000	7,677,213
Plant and Machinery II on Plot S2 1004	5,000,000	6,150,310
	Policy Value	Annual Wages
Workmen's Compensation	3,500,000	2,971,686

4 Accounting Software

The company uses Tally software its financial accounts integrated with inventory and production.

