

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of **Everest Kanto Cylinder Limited** ('the Company') for the quarter ended 30 September 2017 and the year to date results for the period 01 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2016, including the reconciliation of net loss under Ind AS with net loss reported under previous GAAP, as included in the Statement, have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As stated in note 6 (a) to the financial results, the Company's current financial assets, as at 30 September 2017, include an investment amounting to Rs. 3,425 Lakh (as at 30 September 2016 and 30 June 2017: Rs. 3,425 Lakh) in its wholly owned Subsidiary in China, EKC Industries (Tianjin) Co. Ltd., whose financial results as at 30 September 2017 indicate significant accumulated losses and net worth being fully eroded, however, as at 30 September 2017, a provision of only Rs. 3,000 Lakh (as at 31 March 2017: Rs. 2,000 Lakh) has been recognized in the books for diminution in value of investments, on an adhoc basis. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of this investment and the consequential impact, if any, on the accompanying financial results. Our limited review opinion on the financial results for the quarter and six months ended 30 September 2016, quarter ended 30 June 2017 and our audit opinion on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.

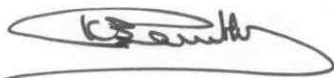


4. As detailed in note 8 to the financial results, the Company's current financial assets include inter-corporate deposit and accrued interest thereon, aggregating Rs. 1,724 Lakh (as at 30 September 2016: Rs. 1,724 Lakh). In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our limited review opinion on the financial results for the quarter and six months ended 30 September 2016, quarter ended 30 June 2017 and our audit opinion on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.
5. Based on our review conducted as above, except for the possible effects of the matters described in paragraphs 3 and 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015, dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.
6. We draw attention to Note 9 to the financial results, regarding the delays in receipt of receivables and payment against the supply of goods, amounting to Rs. 130 Lakh and Rs. 7,481 Lakh, respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from/to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial results do not include any adjustments that may arise due to such delay/default. Our report is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per **Khushroo B. Panthaky**

Partner

Membership No. 42423

Place: Mumbai

Date: 13 December 2017

Unaudited Financial Results (Standalone) For The Quarter And Six Months Ended 30th September, 2017

(₹ in Lakhs)

Particulars	3 months ended	Preceding	Corresponding	Year to date figures	Year to date figures
	30/09/2017 (Unaudited)	3 months ended 30/06/2017 (Unaudited)	3 months ended in the previous Year 30/09/2016 (Unaudited) (Refer note 3)	for current period ended 30/09/2017 (Unaudited)	for the previous period ended 30/09/2016 (Unaudited) (Refer note 3)
I Revenue from operations (Gross) (Refer note 10)	7,323	6,676	7,096	13,999	13,453
II Other income (Refer note 7)	105	63	127	168	258
III Total Income (I + II)	7,428	6,739	7,223	14,167	13,711
IV Expenses					
(a) Cost of materials consumed	4,128	2,967	4,403	7,095	7,684
(b) Purchases of stock-in-trade	6	995	14	1,001	47
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(234)	(465)	(1,245)	(699)	(1,451)
(d) Excise duty expense (Refer note 10)	-	344	689	344	1,212
(e) Employee benefits	512	427	374	939	706
(f) Finance costs	834	757	894	1,391	1,908
(g) Depreciation and amortization	321	314	407	635	813
(h) Other Expenses					
Power and Fuel	419	504	474	923	877
Others	1,304	1,242	842	2,546	1,684
Total Expenses	7,090	7,085	6,852	14,175	13,480
V Profit / (Loss) from ordinary activities before foreign exchange variation gain/ (loss), exceptional items and tax (III - IV)	338	(346)	371	(8)	231
VI Foreign Exchange Variation Gain/ (Loss)	(74)	(40)	132	(114)	27
VII Profit / (Loss) from ordinary activities before exceptional items and tax (V + VI)	264	(386)	503	(122)	258
VIII Exceptional Items Gain/ (Loss) (net) (Refer note 6)	(500)	(468)	(720)	(968)	(1,499)
IX Profit / (Loss) before tax (VII + VIII)	(236)	(854)	(217)	(1,090)	(1,241)
X Tax expense / (Credit)	-	-	-	-	-
XI Net Profit / (Loss) for the period (IX + X)	(236)	(854)	(217)	(1,090)	(1,241)
XII Other Comprehensive Income (OCI)					
i Items not to be reclassified subsequently to profit and loss					
Gain in fair value of equity instruments	-	-	2	-	4
ii Income tax on items not to be reclassified subsequently to profit and loss	-	-	(1)	-	(1)
Total Other Comprehensive Income for the period (i+ii)	-	-	1	-	3
XIII Total Comprehensive Income for the period (XI+XII)	(236)	(854)	(216)	(1,090)	(1,238)
XIV Paid-up equity share capital (Face value of Rs. 2/- per share)	2,244	2,244	2,244	2,244	2,244
XV Earnings per share (not annualised) (in `):					
(a) Basic	(0.21)	(0.76)	(0.19)	(0.97)	(1.10)
(b) Diluted	(0.21)	(0.76)	(0.19)	(0.97)	(1.10)



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EVEREST KANTO CYLINDER LIMITED

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	As at 30/09/2017 (Unaudited)
I. ASSETS	
1. Non-current assets	
(a) Property, plant and equipment	19,404
(b) Intangible assets	13
(c) Capital work-in-progress	337
(d) Financial assets	
(i) Investments	3,995
(ii) Loans	345
(iii) Other financial assets	252
(e) Deferred tax assets (Net)	61
(f) Tax assets	1,053
(g) Other non-current assets	68
	25,528
2. Current assets	
(a) Inventories	10,316
(b) Financial Assets	
(i) Investments	428
(ii) Trade receivables	5,330
(iii) Cash and cash equivalents	1,207
(iv) Loans	6,598
(v) Other financial assets	105
(c) Other current assets	1,893
(d) Assets held for sale	3,058
	28,935
Total Assets	54,463
II. EQUITY AND LIABILITIES	
1. Equity	
(a) Equity Share capital	2,244
(b) Other Equity	11,948
	14,192
2. Liabilities	
i) Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	13,383
(b) Non-current provisions	102
	13,485
ii) Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	7,976
(ii) Trade payables	10,690
(iii) Other financial liabilities	2,414
(b) Current provisions	70
(c) Other current liabilities	5,636
	26,786
Total Equity and Liabilities	54,463

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NOTES :

- 1 The above results were reviewed by the Audit Committee at its meeting held on 13 December, 2017 and have been approved by the Board of Directors of the Company at their meeting held on that date.
- 2 Tax Expense includes Current Tax, Deferred Tax (Including Deferred Credits, if any) and tax adjustments relating to earlier years.
- 3 The Company has adopted the Indian Accounting Standards (Ind AS) from 1 April 2017 and accordingly the above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is 1 April 2016. The impact of transition has been accounted in the retained earnings and accordingly, the comparative period results for the quarter and six months ended 30 September, 2016.

The Ind AS compliant results, pertaining to the relevant corresponding period of the previous year i.e. quarter and six months period ended 30 September 2016, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs for comparative purposes.

- 4 In view of the various clarifications being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, It may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS financial statements as at and for the year ending 31 March 2018 due to treatments/methods suggested by ITFG on applicability of Ind AS.
- 5 Reconciliation of Net Profit reported under previous GAAP and the Total Comprehensive Income as per Ind AS for the quarter and six months ended 30 September 2016 is as per the table below:

Particulars	For quarter ended 30th September, 2016	For Six months ended 30th September, 2016
	Rs in Lakhs	Rs in Lakhs
Net Profit/(loss) after tax as per Indian GAAP	(216)	(1,216)
GAAP Adjustments:		
Financial liabilities accounted at amortised cost	(3)	(13)
Provision for expected credit loss	2	(2)
Fair valuation of financial guarantee	3	6
Provision for sales return	(3)	(16)
Net Profit/(loss) after tax as per Ind AS	(217)	(1,241)
Gain on fair value of equity instrument	1	3
Total Comprehensive Income after tax	(216)	(1,238)

- 6 a. As regard the Investment by way of share capital of Rs 3,425.07 Lakhs in EKC Industries (Tianjin) Company Limited (the 'subsidiary'), a wholly owned subsidiary based in China, the Company is of the considered view, based on the assessment of the relevant factors, such as, the strategic nature of the investment, future business prospects in the markets in which the subsidiary operates, expected appreciation in the fair value of the assets of the subsidiary, etc., that no provision for impairment in the value of the Investment is required. However, on a conservative basis, considering erosion in net-worth of the subsidiary, an aggregate amount of Rs 3,000 Lakhs as at 30 September, 2017 (including Rs 2,000 Lakhs upto 31 March 2017) has been provided towards such impairment and has been disclosed as an 'Exceptional Item' in the financial results. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 September 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.
- b. 'Exceptional Item' includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of Rs 32 Lakhs for the half year ended 30 September, 2017 (write down of Rs 455 Lakhs for six months ended 30 September 2016).

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- 7 Interest income of Rs 268 Lakhs which was accruing for the half year ended 30 September 2017 in respect of the Inter Corporate Deposit and Loans given to the subsidiaries has been deferred by the Company, due to uncertainties with respect to ultimate collection of the outstanding amounts.
- 8 Current financial assets include an amount of Rs 1,724 Lakhs (Rs 1,724 Lakhs as at 31 March 2017) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruiti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruiti City Limited), the Company is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no impairment for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 Septemebr 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.
- 9 The outstanding balances as at 30 Septemebr 2017 include trade payables aggregating Rs 7,481 Lakhs and trade receivables aggregating Rs 130 Lakhs to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.
- 10 Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto all reporting periods ending 30 June 2017. Post implementation of Goods and Services Tax (GST) from quarter ended 30 September 2017, revenue from operations is reporting net of GST and hence to that extent is not comparable.

Place : Mumbai

Date: 13th December, 2017

By Order of the Board
For Everest Kanto Cylinder Limited


P. K. Khurana

Chairman & Managing Director
DIN:- 00004050



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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (the "Statement") of **Everest Kanto Cylinder Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") and a joint venture (Refer Annexure 1 for the list of subsidiaries and joint venture included in the Statement) for the quarter ended 30 September 2017 and the consolidated year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 30 September 2016, including the reconciliation of net loss under Indian Accounting Standards (Ind AS) with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. As detailed in note 5 to the financial results, the Company's current financial assets include inter-
corporate deposit and accrued interest thereon, aggregating Rs. 1,724 Lakh (as at 30 September 2016: Rs. 1,724 Lakh). In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our limited review opinion on the financial results for the quarter and six months ended 30 September 2016, quarter ended 30 June 2017 and our audit opinion on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.



4. Based on our review conducted as above and upon consideration of the review reports of the other auditors, except for the possible effects of the matter described in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 9 to the financial results, regarding the delays in receipt of receivables and payment against the supply of goods by Company, amounting to Rs. 130 Lakh and Rs. 7481 Lakh, respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from/to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial results do not include any adjustments that may arise due to such delay/default. Our review report is not modified in respect of this matter.
6. We did not review the financial results of eight entities, included in the Statement, whose financial results reflect total revenues of Rs. 8,064 lakhs and Rs. 15,719 lakhs for the quarter and six months ended 30 September 2017 respectively, net loss (including other comprehensive income) of Rs. 145 lakhs and Rs. 1,186 lakhs for the quarter and six months ended 30 September 2017 respectively, total assets of Rs. 121,751 lakhs and net assets of Rs. 51,528 lakhs as at quarter ended 30 September 2017. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

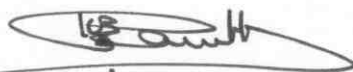
Further, of these subsidiaries, five subsidiaries are located outside India, whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been reviewed by other auditors. The Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our review report is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per **Khushroo B. Panthaky**

Partner

Membership No. 42423

Place : Mumbai

Date : 13 December 2017

Annexure 1

List of entities included in the Statement

- EKC Industries (Tianjin) Co., Ltd
- EKC International FZE
- EKC Industries (Thailand) Co., Ltd
- Calcutta Compressions and Liquefaction Engineering Limited
- EKC Hungary Kft.
- CP Industries Holdings, Inc.
- EKC Europe GmbH
- EKC Positron Gas Ltd
- Next Gen Cylinder Private Limited
- Kamal EKC International Limited



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EVEREST KANTO CYLINDER LIMITED

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Unaudited Financial Results (Consolidated) For The Quarter And Six Months Ended 30th September, 2017

(₹ in Lakhs)

Particulars	3 months ended	Preceding	Corresponding	Year to date figures	Year to date figures for
	30/09/2017 (Unaudited)	3 months ended 30/06/2017 (Unaudited)	3 months ended in the previous Year 30/09/2016 (Unaudited) (Refer note 2)	for current period ended 30/09/2017 (Unaudited)	for the previous period ended 30/09/2016 (Unaudited) (Refer note 2)
I Revenue from operations (Gross) (Refer note 12)	13,211	12,498	16,116	25,709	30,750
II Other income (Refer note 6)	49	49	30	98	53
III Total Income (I + II)	13,260	12,547	16,146	25,807	30,803
IV Expenses					
(a) Cost of materials consumed	5,492	4,014	6,032	9,506	10,924
(b) Purchases of stock-in-trade	12	1,210	2,067	1,222	4,228
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	689	749	(620)	1,438	(578)
(d) Excise duty (Refer note 12)	-	344	689	344	1,212
(e) Employee benefits	1,972	1,936	2,187	3,906	4,510
(f) Finance costs	839	967	1,110	1,806	2,338
(g) Depreciation and amortization	923	1,312	1,140	2,235	2,250
(h) Other Expenses					
Power and Fuel	686	819	821	1,505	1,576
Others	2,435	2,944	2,538	5,379	5,432
Total Expenses	13,047	14,295	15,964	27,342	31,892
V Profit / (Loss) from ordinary activities before provision for doubtful debt, foreign exchange variation gain/ (loss), exceptional items, share of profit/(loss) of joint venture and tax (III - IV)	213	(1,748)	182	(1,535)	(1,089)
VI Provision written back/ (Provision for doubtful debt)	168	111	154	279	236
VII Foreign Exchange Variation Gain/ (Loss)	320	74	(80)	394	(233)
VIII Profit / (Loss) from ordinary activities before exceptional items, share of profit/(loss) of joint venture and tax (V + VI+ VII)	701	(1,563)	256	(862)	(1,086)
IX Share of profit/(loss) of joint venture	(2)	(2)	-	(4)	-
X Profit / (Loss) from ordinary activities before exceptional items and tax (VIII + IX)	699	(1,565)	256	(866)	(1,086)
XI Exceptional Items Gain/ (Loss) (net) (Refer note 7)	-	32	(220)	32	(455)
XII Profit / (Loss) before tax (X + XI)	699	(1,533)	36	(834)	(1,541)
XIII Tax expense / (Credit)	-	-	63	-	63
XIV Net Profit / (Loss) for the period (XII + XIII)	699	(1,533)	(27)	(834)	(1,604)
XV Other Comprehensive Income (OCI)					
i Items not to be reclassified subsequently to profit and loss					
Gain on fair value of equity instrument	-	-	2	-	4
Income tax effect on above	-	-	(1)	-	(1)
ii Items to be reclassified subsequently to profit and loss					
Exchange difference on translation of foreign operation	(1,165)	1,244	(253)	79	106
Total Other Comprehensive Income for the period (i+ii)	(1,165)	1,244	(252)	79	109
Total Comprehensive Income for the period (XIV+XV)	(466)	(289)	(279)	(755)	(1,495)
XVI Net profit for the period is attributable to:					
Equity shareholder of the Company	687	(1,530)	(26)	(843)	(1,594)
Non-controlling interest	12	(3)	(1)	9	(10)
Total Comprehensive Income for the period is attributable to:					
Equity shareholder of the Company	(478)	(286)	(278)	(764)	(1,485)
Non-controlling interest	12	(3)	(1)	9	(10)
XVII Paid -up equity share capital (Face value Rs. 2/- per share)	2,244	2,244	2,244	2,244	2,244
XVIII Earnings per share (not annualised) (in Rs):					
(a) Basic	0.62	(1.38)	(0.02)	(0.74)	(1.43)
(b) Diluted	0.62	(1.38)	(0.02)	(0.74)	(1.43)



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EVEREST KANTO CYLINDER LIMITED

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CIN: L29200MH1978PLC020434; Email: investors@ekc.in;
Tel Numbers: 022 3026 8300/01 Fax: 022 2287 0720; Website : www.everestkanto.com

Unaudited Financial Results (Consolidated) For The Quarter And Six Months Ended 30th September, 2017

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(' in Lakhs)

PARTICULARS	3 months ended	Preceding	Corresponding	Year to date figures	Year to date figures for
	30/09/2017 (Unaudited)	3 months ended 30/06/2017 (Unaudited)	3 months ended in the previous Year 30/09/2016 (Unaudited)	for current period ended 30/09/2017 (Unaudited)	the previous period ended 30/09/2016 (Unaudited)
1. Segment Revenue					
a) India	7,845	6,934	7,300	14,579	13,784
b) U.A.E (Dubai)	2,202	2,423	4,319	4,625	8,653
c) China	1,217	1,156	1,075	2,373	2,290
d) USA & Hungary	4,037	3,536	5,334	7,573	9,491
e) Others	688	237	470	925	1,097
Total	15,789	14,286	18,498	30,075	35,315
Less: Inter Segment Revenue	2,578	1,788	2,382	4,366	4,565
Income from operations (Gross)	13,211	12,498	16,116	25,709	30,750
2. Segment Result (before Tax)					
Segment Result (before (Loss)/Gain on Foreign Exchange variation, Finance Costs & Tax):					
a) India	997	437	1,072	1,434	1,723
b) U.A.E (Dubai)	347	55	284	402	285
c) China	(439)	(328)	(479)	(767)	(1,010)
d) USA & Hungary	266	(808)	327	(542)	2
e) Others	14	(37)	(8)	(23)	(21)
Total	1,185	(681)	1,196	504	979
Unallocated Income / (Expenses)	33	41	30	74	51
Add/Less : (Loss)/Gain on Foreign Exchange variation (Net)	320	74	(80)	394	(233)
Less : Finance Costs	839	967	1,110	1,806	2,338
Net Profit / (Loss) before Tax	699	(1,533)	36	(834)	(1,541)
3. Segment Assets					
a) India	41,193	40,151	45,618	41,193	45,618
b) U.A.E (Dubai)	14,268	14,688	16,450	14,268	16,450
c) China	10,452	11,380	12,187	10,452	12,187
d) USA & Hungary	21,567	21,660	22,286	21,567	22,286
e) Others	926	427	693	926	693
Total	88,406	88,306	97,234	88,406	97,234
Add: Unallocated	5,835	6,213	5,808	5,835	5,808
Total Segment Assets	94,241	94,519	103,042	94,241	103,042
4. Segment Liabilities					
a) India	4,769	5,434	4,782	4,769	4,782
b) U.A.E (Dubai)	2,473	2,389	1,788	2,473	1,788
c) China	1,490	1,483	1,500	1,490	1,500
d) USA & Hungary	5,340	5,057	6,198	5,340	6,198
e) Others	12	19	38	12	38
Total	14,084	14,382	14,306	14,084	14,306
Add: Unallocated	38,323	38,239	55,385	38,323	55,385
Total Segment Liabilities	52,407	52,621	69,691	52,407	69,691



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EVEREST KANTO CYLINDER LIMITED

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	As at 30/09/2017
	(Unaudited)
I. ASSETS	
1. Non-current assets	
(a) Property, plant and Equipment	41,914
(b) Intangible assets	121
(c) Capital work-in-progress	952
(d) Investment accounted for using equity method	11
(e) Financial assets	
(i) Investments	332
(ii) Loans	430
(iii) Other financial assets	252
(f) Deferred tax assets (Net)	61
(g) Tax assets	1,057
(h) Other non-current assets	69
	45,199
2. Current assets	
(a) Inventories	24,591
(b) Financial Assets	
(i) Investments	3
(ii) Trade receivables	12,306
(iii) Cash and cash equivalents	2,928
(iv) Loans	1,988
(v) Other financial assets	48
(c) Other current assets	4,029
(d) Asset held for sale	3,149
	49,042
Total Assets	94,241
II. EQUITY AND LIABILITIES	
1. Equity	
(a) Equity Share capital	2,244
(b) Other Equity	39,587
Equity attributable to owners	41,831
Non-controlling interest	3
	41,834
2. Liabilities	
i) Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	18,478
(b) Non-current provisions	1,876
(c) Deferred Government grants	309
	20,663
ii) Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	17,746
(ii) Trade payables	6,166
(iii) Other financial liabilities	4,140
(b) Current provisions	218
(c) Deferred Government grants	8
(d) Other current liabilities	3,466
	31,744
Total Equity and Liabilities	94,241



NOTES

- 1 The above results were reviewed by the Audit Committee at its meeting held on 13 December, 2017 and have been approved by the Board of Directors of the Company at their meeting held on that date.
- 2 The group has adopted the Indian Accounting Standards (Ind AS) from 1 April 2017 and accordingly the above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is 1 April 2016. The impact of transition has been accounted in the retained earnings and accordingly, the comparative period results for the quarter and six months ended 30 September, 2016 have been restated.

The Ind AS compliant results, pertaining to the relevant corresponding period of the previous year i.e. quarter and six months ended 30 September 2016, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs for comparative purposes.
- 3 In view of the various clarifications being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, It may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS consolidated financial statements as at and for the year ending 31 March 2018 due to treatments/methods suggested by ITFG on applicability of Ind AS.
- 4 Reconciliation of Net Profit reported under previous GAAP and the Total Comprehensive Income as per Ind AS for the quarter and six months ended 30 September, 2016 is as per the table below:

Particulars	For quarter ended 30th September, 2016	For Six months ended 30th September, 2016
	Rs in Lakhs	Rs in Lakhs
Net Profit/(loss) after tax as per Indian GAAP	27	(1,521)
GAAP Adjustments:		
Government grant income	2	2
Additional depreciation on gross up of Government grant	(2)	(2)
Financial liabilities accounted at amortised cost	(2)	(13)
Provision for expected credit loss	3	(2)
Provision for sales return	(3)	(16)
Tax adjustment on above	(52)	(52)
Net Profit/(loss) after tax as per Ind AS	(27)	(1,604)
Exchange differences on translation of foreign operations	(253)	106
Gain on fair value of equity instrument	1	3
Total Comprehensive Income after tax	(279)	(1,495)

- 5 Current financial assets include an amount of Rs 1,724 Lakhs (Rs 1,724 Lakhs as at 31 March 2017) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruiti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruiti City Limited), the group is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 September 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.
- 6 Interest income of Rs 152 Lakhs which was accruing for the six months ended 30 September 2017 in respect of the Inter Corporate Deposit has been deferred by the group, due to uncertainties with respect to ultimate collection of the outstanding amounts.
- 7 Exceptional Item' includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of Rs 32 Lakhs for quarter and six months ended 30 September, 2017 (Write down of Rs 455 Lakhs for six months ended 30 September 2016).
- 8 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the "Company"), its four wholly owned subsidiaries, EKC Industries (Tianjin) Co. Ltd., EKC International FZE, EKC Industries (Thailand) Co.Ltd., Next Gen Cylinder Private Limited, its three wholly owned step down subsidiaries, EKC Hungary Kft, CP Industries Holdings, Inc. and EKC Europe GmbH and also Calcutta Compressions & Liquefaction Engineering Limited and EKC Positron Gas Limited, subsidiaries in which it has majority stake and of joint venture, Kamal EKC International Ltd. The financial results of all the entities have been duly audited by the respective auditors of these entities, except for EKC Europe GmbH and Kamal EKC International Ltd. whose operations are not significant.
- 9 The outstanding balances of the Company, as at 30 September 2017, include trade payables aggregating Rs 7,481 Lakhs and trade receivables aggregating Rs 130 Lakhs to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The group is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.

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- 10 Tax Expense includes Current Tax, Deferred Tax (Including Deferred Credits, if any) and tax adjustments relating to earlier years.
- 11 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment. Hence, the Company has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries, step down subsidiaries and joint venture.
- 12 Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto all reported periods ending 30 June 2017. Post implementation of Goods and Services Tax (GST) from quarter ended 30 September 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.

Place : Mumbai
13 December 2017

By Order of the Board
For Everest Kanto Cylinder Limited


P. K. Khurana
Chairman & Managing Director
DIN:- 00004050



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