

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

10th Audited Financial Statements  
Year ended March 31, 2016

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**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, 2016, 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 auditor's 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, 2016, the result of its operations, changes in equity and its cash flows for the year ended March 31, 2016 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 9,391,074/- are outstanding for more than 2 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 five 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 : April 28, 2016



**EKC International FZE**

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

**Statement of Financial Position as at March 31, 2016***All figures are expressed in UAE Dirhams*

		As at 31.3.2016	As at 31.3.2015
	Note		
<b>Property, Plant and Equipment</b>			
Gross Block	Sch 1	67,926,122	63,141,838
Less: Accumulated Depreciation		-34,199,859	-32,396,130
Net Block		<u>33,726,263</u>	<u>30,745,708</u>
Capital Work in Progress	3	0	447,500
<i>Sub total</i>		<u>33,726,263</u>	<u>31,193,208</u>
<b>Investment in equity of Wholly Owned Subsidiaries</b>	4	28,383,523	28,383,523
<b>Unsecured Loan given to WOS</b>	9	144,582,559	143,256,413
<b>Loan given to related party</b>	10	39,273,991	38,188,193
<b>Current Assets</b>			
Inventories	5	50,631,949	46,557,090
Sundry Debtors	6	26,749,805	19,244,107
Cash and Bank Balances	7	3,364,202	12,391,566
Deposits, advances & Prepayments	8	2,625,782	2,879,692
Due from Related Parties	11	73,934,240	43,728,863
<i>Sub total</i>		<u>157,305,978</u>	<u>124,801,318</u>
<b>Less : Current Liabilities</b>			
Sundry Creditors	12	14,032,476	5,125,776
Provisions	13	1,074,816	2,202,859
Secured Loans from banks - Current Portion	14	72,450,909	49,566,730
Unsecured loan from Others	15	5,505,000	0
Unsecured loan from Related Party	16	1,406,003	1,315,288
<i>Sub total</i>		<u>94,469,204</u>	<u>58,210,653</u>
<b>Net Current Assets</b>		62,836,774	66,590,665
<b>Less : Non Current liabilities</b>			
Secured Loans from banks - Non Current Portion	14	173,370	13,222
<b>Net Assets</b>		<u>308,629,740</u>	<u>307,598,780</u>
<b>Shareholders Equity</b>			
Share Capital	1a	1,000,000	1,000,000
Additional Capital	1a	16,203,619	16,203,619
Accumulated Profits		291,426,121	290,395,161
<b>Total</b>		<u>308,629,740</u>	<u>307,598,780</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 April 28, 2016 on behalf of the Board by

Mr. Pushkar Khurana  
Managing Director

*Parag Parekh & Co*  
Parag Parekh & Co  
Chartered Accountants




**EKC International FZE**

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

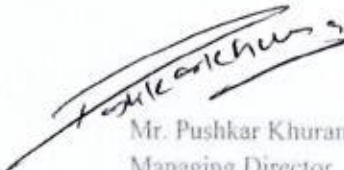
**Income statement**

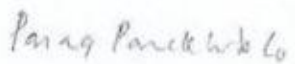
Year Ended March 31, 2016

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

	Note	YE 31.3.2016	YE 31.3.2015
<b>Sales</b>			
Sales -Manufacturing	17	48,952,652	56,940,329
Sales-Trading	18	44,352,524	15,140,002
<i>Sub - total</i>		<u>93,305,176</u>	<u>72,080,331</u>
Increase /(Decrease) in Stock	19	1,639,743	1,256,179
<b>Total income</b>		<u>94,944,919</u>	<u>73,336,510</u>
<b>Expenditure</b>			
Raw Materials Consumed	20	28,117,607	32,586,015
Trading Cost of Sales	21	41,562,133	11,453,995
Manufacturing Expenses	22	8,661,586	8,551,616
Personnel Expenses	23	6,443,108	6,356,389
Selling Expenses	24	2,547,709	4,686,864
Administrative Expenses	25	4,038,644	2,131,803
Finance Expenses	26	3,055,511	2,853,865
Depreciation	Sch 1 & 2	1,858,230	2,119,980
<b>Total expenditure</b>		<u>96,284,528</u>	<u>70,740,527</u>
Profit / (Loss) from Operations		-1,339,609	2,595,983
Other Income	27	2,370,569	1,739,561
Net profit carried to statement of financial position		<u>1,030,960</u>	<u>4,335,544</u>

Financial statements were authorised on April 28, 2016 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, 2016

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

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 1.4.2015	1,000,000	16,203,619	290,395,161	307,598,780
Transfer from Income Statement	0	0	1,030,960	1,030,960
Balance as at 31.3.2016	<u>1,000,000</u>	<u>16,203,619</u>	<u>291,426,121</u>	<u>308,629,740</u>

Balance as at 1.4.2014	1,000,000	16,203,619	286,143,908	303,347,527
Unrealised loss on Loan and investment in EKC Europe			-84,291	-84,291
Transfer from Income Statement	0	0	4,335,544	4,335,544
Balance as at 31.3.2015	<u>1,000,000</u>	<u>16,203,619</u>	<u>290,395,161</u>	<u>307,598,780</u>



**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, 2016

	YE 31.3.2016	YE 31.3.2015	
<b>I Cash flow from Operating Activities</b>			
Net Profit	1,030,960	4,335,544	
Add: Depreciation	1,858,230	2,119,980	
Add: Finance expenses	3,055,511	2,853,865	
Less : Profit on Sale of Vehicles	-21,000	-70,800	
Less : Interest income	-2,217,449	-1,621,750	
Operating Profit before changes in operating assets and liabilities	3,706,252	7,616,839	
Inventories	-4,074,859	5,755,605	
Sundry Debtors	-7,505,698	22,694,845	
Deposits, Advances & Prepayments	253,910	8,881,916	
Sundry Creditors	8,906,700	-2,486	
Provisions	-1,128,043	1,829,130	
Cash generated from / (used in) operations	158,262	46,775,849	
Less : Finance expenses	-3,055,511	-2,853,865	
Net Cash from / (used in) Operating Activities	-2,897,249	43,921,984	
<b>II Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment	-4,838,784	-1,106,312	
Proceeds from sales of Property, plant and equipment	21,000	70,800	
Capital Work in progress	447,500	3,644,629	
Fixed Deposits	-110,787	2,806,942	
Due from Related Parties	-30,205,377	-14,737,919	
Unsecured Loans given to WOS	-1,326,146	-927,063	
Loans Given to Related party	-1,085,798	-20,782,337	
Unrealised loss on Loan and investment in EKC Europe	0	-84,291	
Investment in equity of wholly owned subsidiary	0	-43,331	
Interest Income	2,217,449	1,621,750	
Net Cash used in Investing Activities	-34,880,943	-29,537,132	
<b>III Cash Flow from Financing Activities</b>			
Secured Loans from banks	216,382	-15,243	
Unsecured Loans from Others	5,505,000	0	
Unsecured Loans from EKC Thailand	90,715	1,315,288	
Net Cash from Financing Activities	5,812,097	1,300,045	
Changes in Cash and Cash Equivalents	I+II+III	-31,966,095	15,684,897
Cash & Cash Equivalents at the year beginning		-39,035,472	-54,720,369
Cash and Cash Equivalents at the year end	2k & 7	-71,001,567	-39,035,472
		0	0
<b>Supplemental Cash Flow Statement Information</b>			
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, 2016

*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 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.

**f 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.

**g 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.

**h 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.

**i 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.



j **Revenue Recognition**

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

k **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.

l **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.

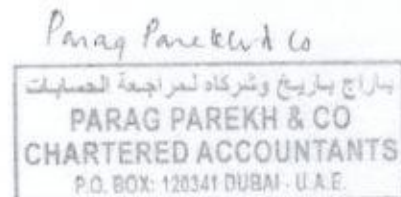
Cash in Hand	45,894	29,429
<i>Balance with Banks</i>		
Current Accounts	1,329,729	10,484,343
Bank Overdraft account	-72,377,190	-49,549,246
	<u>-71,001,567</u>	<u>-39,035,473</u>

3 **Capital Work In Progress**

Capital WIP -Advances for Residential Property	<u>0</u>	<u>447,500</u>
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Notes:

- Advances for residential property represents payments up to 25%. In the opinion of the management there is no diminution in the fair value of the property and closely estimates the carrying amounts as at the statement of financial position date. These properties though held in the name of EKC Industries are beneficially owned by EKC International FZE.
- The real estate company has refunded 350,000/- out of total advances of 447,500/- in the current financial year due to non construction of building work, Balance 97,500/- is also refundable. Subsequently 30,000/- also received. Since the nature and liquidity of the financial asset is changed, this asset has been re-classified under Current Assets / Deposits, Advances and Prepayments.



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	159.761	1,134,000,000
Conversion of Loan portion into share capital dated 2.9.2010	579,152	228.990	132,620,000
Advance for Capital trf to capital 1.4.2014	11,941	226.950	2,716,010
Share capital as at 31.3.2016	<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 276.672 as at 31.3.2016

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

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) 28,383,523 28,383,523

5 **Inventories (at FIFO method)**

(As Valued & Certified by Managing Director)

Raw materials- Pipes	14,156,431	16,994,576
Raw materials - Valves	449,659	140,089
Work-in-Process	16,720,837	13,512,502
Finished Goods	11,936,741	13,505,333
Trading Goods - Cylinders	4,758,820	129,695
Fuel & Gas	31,819	42,514
Stores and Consumables	2,577,642	2,232,381
	<u>50,631,949</u>	<u>46,557,090</u>

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Parag Parekh & Co  
 براج پارکھ وشرکاء لمراجعة الحسابات  
**PARAG PAREKH & CO**  
**CHARTERED ACCOUNTANTS**  
 P.O. BOX- 128341 DUBAI - U.A.E.

**6 Sundry Debtors**

Outstanding for less than six months

- Secured By LC /PDC

- Unsecured

	0	0
	17,311,885	6,948,007
	17,311,885	6,948,007

Outstanding for more than six months

- Secured By LC

- Unsecured

	0	0
	9,437,920	12,296,100
	9,437,920	12,296,100

	26,749,805	19,244,107
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Notes:

- i Balances are taken as per books pending confirmations.
- ii As at April 17, 2016 subsequent amount received from debtors is AED 1,798,110
- iii Debtors of AED 9,391,074/- are outstanding for more than 2 years and are unsecured and unconfirmed. Management is confident of recovering these debts hence the same is not provided as doubtful debts.

**7 Cash & Bank Balances**

Cash On Hand

45,894 29,429

Balance with Banks

Bank Current accounts

1,329,729 10,484,345

Fixed deposits (Under lien)

1,988,579 1,877,792

	3,364,202	12,391,566
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**8 Deposits, Advances & Prepayments***(unsecured and considered good)*

Deposits

241,696 219,442

Advances to suppliers excluding Machinery

1,604,783 1,901,764

Advance to staff

1,440 2,080

Prepaid expenses

777,863 756,406

	2,625,782	2,879,692
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9 Unsecured Loans given to Subsidiaries

a	Loan given to wholly owned subsidiary, EKC Hungary	57,823,474	57,823,474
	Interest receivable	1,898,791	1,898,791
b	Loan given to wholly owned subsidiary EKC Europe GmbH) Germany	1,435,363	1,230,082
	Unrealised Gain/(Loss) on Loans Given	0	0
	Interest receivable	149,148	110,706
c	Loan given to step down subsidiary, CP Industries Holdings Inc., USA	77,592,608	77,592,608
	Interest receivable	5,683,175	4,600,752
		<u>144,582,559</u>	<u>143,256,413</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.

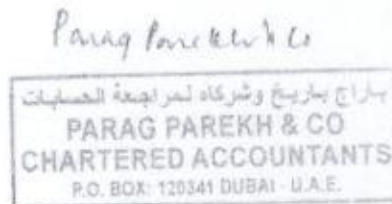
- ii The company has given Euro loans to it's Wholly Owned Subsidiary EKC Europe GmbH, Germany at the interest of 3 months LIBOR + 3 % p.a.. The loans are repayable in four years (As amended) from the date of each disbursement.

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 31.3.2017; however it is not been repaid since July 2010 hence it is presented as non current assets.

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## 10 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	1,654,215	866,498
	<u>27,839,665</u>	<u>27,051,948</u>
Working Capital Loan given to EKC China	9,909,000	9,909,000
Interest receivable on Working Capital loan to EKC China	1,525,326	1,227,245
	<u>11,434,326</u>	<u>11,136,245</u>
	<u>39,273,991</u>	<u>38,188,193</u>

### Notes:

- The company has agreed to give **Project loan of USD 10 Million & Working Fund Loan of USD 5 Million** to its 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 above loans are unsecured bearing interest rates of 3% per annum. Repayment of Project loan is extended up to 10-Dec-2016 hence it is treated as non current assets and working capital is extended to up 10-Dec-2016. There is no repayment against these loans from 2011. Hence it is treated as non current assets.

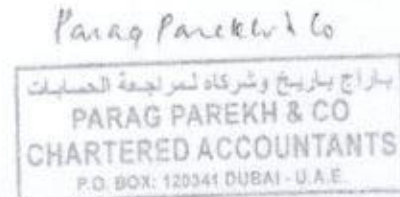
## 11 Due from Related Parties ( Net )

a	EKC Industries -Dubai Branch of Parent Company -(net)	1,708,137	2,213,290
b	EKC Industries (Tianjin) Co. Ltd, China	4,136,934	5,064,233
c	EKC Hungary Ltd, Hungary, (wholly owned subsidiary)	0	0
d	Everest Kanto Cylinder Ltd, India (Parent Company)-(net)	67,048,356	36,028,282
e	C.P.Industries Holding Inc., USA (Step Down WOS)	0	224,347
f	EKC Europe GmbH, Germany (wholly owned subsidiary)	3,220,506	153,748
g	EKC (Industries) Thailand Co Ltd (WOS of Parent Co)	-3,547,973	-884,837
h	EKC International , Colombia Branch	Note	1,059,289
i	EKC International , Peru Branch	Note	308,991
	<i>Balances are Confirmed by Related parties</i>	<u>73,934,240</u>	<u>43,728,863</u>

### Note :

The payments made to the branches are intended to be recoverable in nature and hence these have not been expensed till date. These branches were setup to keep stocks, sell and make profits. However due to adverse conditions in these regions there has not been significant sales and these monies have neither been recovered nor taken as expenses in the parents books.

The management has assured that within 6 months viz., 30 sept 2016, if the recovery of these amounts is not possible then the management will write off these amounts as selling expenses in the books of EKC Int'l FZE.



## 12 Sundry Creditors

For Raw Materials	807,510	873,895
For Capital expenditure	0	0
For Consumables, fuel and gas	1,099,211	3,153,398
For Expenses	857,197	703,879
For Trading Goods	11,038,890	0
Advances from sundry debtors	229,668	394,604
	<u>14,032,476</u>	<u>5,125,776</u>

Balances are taken as per Books pending confirmations

## 13 Provisions

Outstanding expenses	659,763	1,831,073
Salaries and wages payable	415,053	371,786
	<u>1,074,816</u>	<u>2,202,859</u>

## 14 Secured loans from Banks - Current

Bank Overdraft	72,377,190	49,549,246
Vehicle Loans from Bank -Current	73,719	17,484
	<u>72,450,909</u>	<u>49,566,730</u>

### Secured loans from Banks - Non Current

Vehicle Loans from Bank	173,370	13,222
Total	<u>72,624,279</u>	<u>49,579,952</u>

Notes:

- Bank Overdraft facility from Emirates NBD Bank** is secured by Standby Letter of Credit of USD 3.5M 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.
- 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.
- 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.
- Vehicles loans** are secured by hypothecation of vehicles and are at fixed rates of interest. These loans are repayable in 48 monthly instalments.



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15 Unsecured Loan from Others

5,505,000 0

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

16 Unsecured Loan from Related Party

EKC Industries (Thailand) Co. Ltd.	1,247,800	1,247,800
Interest Payable on Loan taken	158,203	67,488
	<u>1,406,003</u>	<u>1,315,288</u>

Notes:

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

17 Sales - Manufacturing

Sales -Mfg - Export -CNG cylinders	27,134,875	38,378,648
Sales -Mfg. - Local -CNG cylinders	7,435,875	9,365,681
Sales -Mfg. - Export -Semi Finished Steel Shell EKC Mumbai	13,681,577	9,196,000
Sales -Mfg. -Local-Semi Finished Steel Shell	700,325	0
	<u>48,952,652</u>	<u>56,940,329</u>

18 Sales Trading

Sales -Trading -Carbon Steel Pipes	1,487,036	0
Sales -Trading -Casing	0	1,632,826
Sales -Trading -CNG Jumbo Skid	0	5,358,200
Sales Trading - CNG Vessels Storage Assembly	667,940	0
Sales -Trading -Export - Cylinders	40,340	399,882
Sales -Trading -Fittings	88,021	0
Sales -Trading -Industrial Cylinders	230,247	0
Sales -Trading -Iron Ore Lumps	40,006,365	0
Sales -Trading -Jumbo Cylinder Assembly	1,418,088	1,356,432
Sales -Trading -Machinery- Export -Others	0	4,211,325
Sales -Trading -Pipes - EKC Mumbai	135,423	1,329,330
Sales -Trading -Pipes -Others	0	373,222
Sales -Trading -Stores Consumable -Others	144,701	122,000
Sales -Trading -Export - Valves	31,048	0
Sales -Trading -Local - Valves	80	39,475
Freight Collected From Others	39,503	194,021
Freight Collected From EKC Europe	9,175	0
Sales Scrap	137,000	227,069
Discount Given	-82,443	-103,780
	<u>44,352,524</u>	<u>15,140,002</u>

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19 Decrease / ( Increase ) in Stock

*Work in Process*

Opening stock		13,512,502	11,323,025
Transferred to Trading WIP		0	0
Closing Stock		-16,720,837	-13,512,502
Sub total	a	<u>-3,208,335</u>	<u>-2,189,477</u>

*Finished goods*

Opening stock		13,505,333	14,438,631
Closing Stock		-11,936,741	-13,505,333
Sub total	b	<u>1,568,592</u>	<u>933,298</u>
Total	a+b	<u>-1,639,743</u>	<u>-1,256,179</u>

20 Raw Materials Consumed

Opening Stock		17,134,665	24,011,564
Transfer from RM Pipe to Trading Pipe		-127,561	-2,025,736
Transfer from RM Valves to Trading Valves		-25,018	-31,299
Purchases and direct expenses		25,741,611	27,766,151
Closing stock		-14,606,090	-17,134,665
		<u>28,117,607</u>	<u>32,586,015</u>

21 Trading cost of sales

Opening Stock- cylinders		129,695	826,579
Trading Purchase -Cylinders - others & Direct Expenses		7,894,899	8,700,076
Trading Purchase - Iron Ore Lumps		38,143,780	0
Transfer from RM Pipe to Trading Pipe		127,561	2,025,736
Transfer from RM Valves to Trading Valves		25,018	31,299
Closing Stock -cylinders		-4,758,820	-129,695
		<u>41,562,133</u>	<u>11,453,995</u>

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## 22 Manufacturing Expenses

### Fuel and Gas consumed

Opening stock	42,514	177,871
Purchases	1,708,234	2,562,506
Closing Stock	-31,819	-42,514
Sub total	<u>1,718,929</u>	<u>2,697,863</u>

### Stores, Spares & Tools

Opening Stock	2,232,381	1,535,025
Purchase	2,507,658	1,843,306
Closing Stock	-2,577,642	-2,232,381
Sub total	<u>2,162,397</u>	<u>1,145,950</u>

### Other Manufacturing overheads

Total	<u>4,780,260</u>	<u>4,707,804</u>
-------	------------------	------------------

a+b+c

8,661,586 8,551,616

## 23 Personnel Expenses

Wages and benefits to supervisors and workers	4,637,208	4,297,991
Salaries and benefits to staff	724,856	779,593
Salaries and benefits to Directors	1,081,044	1,278,805
Total	<u>6,443,108</u>	<u>6,356,389</u>

## 24 Selling Expenses

Advertising Expenses	212,435	101,884
Carriage Outward	74,750	74,225
Clearing & Forwarding (export)	915,716	1,388,143
Sales Promotion Expenses	225,972	654,072
Commission on Sales	827,069	2,052,163
Packing Expenses	242,462	398,332
CSC Certification Charges	27,525	0
Export Certification Charges	21,780	18,045
	<u>2,547,709</u>	<u>4,686,864</u>



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## 25 Administrative Expenses

Compensation Expenses	1,689,644	0
Travelling Expenses	678,774	472,751
Insurance (General)	222,457	247,449
Visa Expenses	196,916	224,702
Office Expenses	190,044	73,060
Brokerage	181,649	242,432
Professional Fees	155,802	35,039
Staff Welfare	136,354	120,820
Telephone Expenses	117,716	101,085
Motor Car Expenses (Petrol, Parking Etc.)	90,795	105,735
Legal & Professional Charges	70,923	181,969
Audit Fees	67,500	67,500
Guest / Visitors Expenses	67,946	58,488
Printing & Stationary	44,248	65,367
Motor Car Repairs	29,563	27,866
Postage & Courier Charges	24,408	21,965
Insurance (Director)	20,473	0
Licenses fees	17,360	17,377
Medical Reimbursement	11,930	-1,769
Registration Fees	8,200	8,800
Repairs Computer	7,570	1,808
Legalization & Documentation	6,380	58,163
Repair & Maintenance -Others	2,000	1,200
Discount and /Sundry Balance W/off	-8	-4
	<u>4,038,644</u>	<u>2,131,803</u>

Compensation expenses represents following payment made to Dubai court under a order in a case filed against the company by its customer (Barclay Trading) towards machine case. The final verdict came in favour of customer and the company made full and final payment subsequently on 16.4.2016. The case is disposed.

Date	Amount in AED
1.10.2015	100,000
14.12.2015	937,881
16.4.2016	651,763
	<u>1,689,644</u>

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**26 Finance Expenses**

Interest on overdraft	2,460,069	2,225,824
Bank Charges	65,535	84,899
Bank Charges- Salary Transfer	18,234	16,345
Bank Charges - Export	28,485	42,449
Bank Charges on Debtors Collection	20,416	31,403
Guarantee Commission to Parent Company	282,244	284,425
Interest on loans to EKC Industries Thailand Co Ltd	90,715	67,488
Interest on vehicle loans	-2,688	2,243
Foreign exchange Gain/Loss - Others	57,284	11,576
Discounting Interest	35,217	87,211
	<u>3,055,511</u>	<u>2,853,865</u>

**27 Other Income**

Profit on sale of Vehicle	21,000	70,800
Sundry balances written back	0	11,011
CSC Certification Charges -Income	91,750	0
Inspection Charges	40,370	0
Interest income on Loan To CP Industries	1,082,422	973,112
Interest income on Loan To EKC China	1,085,799	597,337
Interest income on Loan To EKC Europe	38,442	37,703
Interest on Fixed Deposits etc.	10,786	13,598
Other income	0	36,000
	<u>2,370,569</u>	<u>1,739,561</u>

**28 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 25.8.2004 to 24.8.2016 at a current annual rent of AED 204,000/-. The unexpired portion of the lease commitment as at the statement of financial position date is

	79,560	285,041
--	--------	---------

- 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

	9,716,980	335,166
--	-----------	---------

Total

	<u>9,796,540</u>	<u>620,207</u>
--	------------------	----------------



29 Purchase commitments and Contingent liabilities

Letters of credit	4,640,519	9,207,825
Letters of Guarantees	12,845,000	18,605,249
Letter of Guarantees (staff visas)	1,250,000	1,250,000

30 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 disclosure.

31 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	13,681,577	9,196,000
Sales - Trading (Pipes)	Credit	135,423	1,329,330
Purchases -R.M.Pipes	Debit	164,553	2,069,880
Purchases - Stores Consumable / Machine Spares	Debit	610,805	469,301
Purchase Trading (Cylinders)	Debit	214,071	14,680
Trading Purchase (Jumbo Cyl Assembly ) EKC Mumbai	Debit	1,055,125	0
Guarantee Commission expenses	Debit	282,244	284,425

*Balances at statement of financial position date*

**Receivables**

EKC Mumbai - RM Pipe- Debtors	10,666,839	12,613,069
EKC Mumbai -Cylinders- Debtors	25,956,948	20,279,734
EKC Mumbai -Cylinders- Creditors	30,129,783	3,670,000
EKC Mumbai	564,329	81,441
	<u>67,317,899</u>	<u>36,644,244</u>

**Payable**

Payable to EKC Mumbai for Stores/ Machine Purchase	129,511	290,112
EKC -Mumbai (Others) -Guarantee commission payable	140,032	213,319
	<u>269,543</u>	<u>503,431</u>

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

67,048,356      36,140,813



**Shareholders Equity**

Share Capital	Credit	1,000,000	1,000,000
Additional Share Capital	Credit	16,203,619	16,203,619
Accumulated Profits	Credit	291,426,121	290,395,161
		<u>308,629,740</u>	<u>307,598,780</u>

ii **EKC Industries, Dubai, UAE**

No Transactions During the year

<i>Balance as at statement of financial position date</i>	Debit	1,708,137	2,213,290
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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	57,823,474	57,823,474
Interest receivable from EKC Hungary	Debit	1,898,791	1,898,791
Investment in Share Capital -EKC Hungary	Debit	28,247,627	28,247,627
		<u>87,969,892</u>	<u>87,969,892</u>

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

Interest income on Loan To CP Industries

	Credit	1,082,422	973,112
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*Balance as at statement of financial position date*

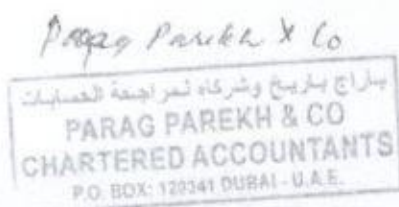
Loans given to CP Industries	Debit	77,592,608	77,592,608
Interest receivable on loan to CP Industries	Debit	5,683,175	4,600,752
Due from CP Industries Holdings Inc.	Debit	0	224,347
		<u>83,275,783</u>	<u>82,417,707</u>

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

R.M.Pipe Purchase	Debit	3,145,190	0
Semi Finished R .M(Steel Pipes)	Debit	68,079	0
Trading Purchase (Cylinders) EKC China	Debit	22,350	0
Interest Income on Loan	Credit	1,085,799	597,337

*Balance as at statement of financial position date*

Loans given	Debit	36,094,450	36,094,450
Interest receivable on loan	Debit	3,179,541	2,093,743
EKC China Debtors - Cylinder	Debit	2,210,551	2,422,200
EKC China Debtors - Pipe	Debit	1,835,000	2,550,650
EKC China Debtors - Clearing Forwarding	Debit	91,383	91,383



vi **EKC Europe GmbH, Germany**

**Transactions**

Office Security Deposit paid on behalf of WOS	Debit	0	14,214
Freight Collected	Credit	9,175	0
Office Rent (income) EKC Europe	Credit	0	4,738
Store and Consumables Purchase	Debit	48,875	0
R.M. Valve purchase	Debit	42,924	0
Commission Expenses	Debit	45,689	0
Interest Income on Loans given to WOS	Credit	38,442	37,703
Sales - Export - Industrial Cylinders	Credit	5,316,535	143,983

**\*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 ( Office Security Deposit)	Debit	0	14,214
EKC Europe -Cylinders Debtors	Debit	3,402,683	142,983
EKC Europe ( Office rent )	Debit	0	4,738
EKC Europe ( Store & Consumables)	Credit	91,799	0
EKC Europe (others) - Clearing & Forwarding	Credit	44,689	0
EKC Europe ( commission)	Credit	45,689	8,187
Loans given to WOS	Debit	1,435,363	1,230,082
Interest receivable on Loans given to WOS	Debit	149,148	110,706

vii **EKC Colombia (Branch)**

Branch of EKC International FZE, Dubai, U.A.E.

**Transactions**

Nil Nil

**Balances as at statement of financial position date**

Debit 1,059,289 719,899

viii **EKC Peru (Branch)**

Branch of EKC International FZE, Dubai, U.A.E.

**Transactions**

Nil Nil

**Balances as at statement of financial position date**

Credit 308,991 209,901






ix **EKC Thailand Co Ltd**

*Transactions*

Interest on Loan Taken	Credit	90,715	67,488
Sales- Exports-CNG- Mfg.	Credit	0	144,598
Trading Purchase Cylinders	Debit	0	1,029,435

*Balances*

Credit	4,953,976	2,200,125
--------	-----------	-----------

32 **Segment reporting**

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

<i>Sales</i>		0	0
<i>Cost of Sales</i>			
Opening Stock		0	0
Purchase		177,848	0
Direct Expenses		7,233	0
Closing Stock		-177,848	0
		<u>7,233</u>	<u>0</u>
Gross Loss		-7,233	0
Indirect Expenses		661,422	0
Net Loss		<u>-668,655</u>	<u>0</u>

33 **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, 2016 three parties represented 86 % of the outstanding trade debtors. (As at 31.3.2015 - three parties represented 90% )

*Country-wise break up of Trade Debtors :*

Australia	1,718,265	0
Bangladesh	1,305,089	0
Chile	0	108,742
Colombia	457,625	368,259
Egypt	147	0
Hong Kong	12,020,533	0
Kuwait	461,136	0
Mexico	321,349	0
Nigeria	0	4,987,666
Oman	12,000	0
Pakistan	0	55,402
Peru	85,922	247,211
Qatar	0	434,234
Turkey	0	2,254,939
U.A.E.	10,367,741	10,787,654
Total	<u>26,749,805</u>	<u>19,244,107</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.

34 **Number of Personnel**

Managing Director	1	1
Executive Director	1	2
Vice President ( Fire Fighting Division )	1	0
Staff	13	10
Supervisors	19	23
Labours	149	137
	<u>184</u>	<u>173</u>



35 Previous Year's Figures

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

36 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.

37 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 31.3.2016		YE 31.3.2015	
<b>a Manufacturing Operations (CNG Cylinders)</b>				
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)		120,307		111,488
<b>b Quantitive Reconciliation</b>	<b>31.3.2016</b>	<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2015</b>
<b>i Manufactured Goods - CNG Cylinders</b>	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	23,768	13,505,333	22,241	14,438,631
Production	120,307	42,938,461	111,488	46,911,810
Sales at sale value	123,830	48,952,652	109,961	56,940,329
Closing stock	20,245	11,936,741	23,768	13,505,333
<b>ii Raw Materials -Pipes and valves</b>	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
Opening stock	3,992.00	17,134,665	4,338	24,011,564
Purchase and direct expenses	8,375.02	25,741,611	6,793	27,766,151
Consumption	8,523.41	28,117,607	6,758	32,586,015
Transfer to Trading - Pipes	46.32	127,561	381	2,025,736
Transfer to Trading- Valves (in Pcs)	632	25,018	1,275	31,299
Closing stock	3,797	14,606,090	3,992	17,134,665
<b>iii Traded Goods - Machinery</b>	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	0	0	0	0
Purchase	0	0	1	3,547,741
Sales	0	0	1	4,211,325
Closing stock	0	0	0	0

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iv	<b>Traded Goods - Cylinders (various types)</b>	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Opening stock	380	129,695	2,691	826,519
	Purchase	11,839	4,610,782	740	237,816
	Sales at sale value	990	270,587	3,051	399,882
	Closing stock	11,229	4,758,820	380	129,695
v	<b>Traded Goods - Pipes (raw material)</b>	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Transfer From Raw Material	46.3	127,561	381	2,025,736
	Sales at sale value	46.3	135,423	381	1,702,552
vi	<b>Traded Goods - Casing</b>	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase Casing	0	0	450	1,462,884
	Trading Sales Casing	0	0	450	1,632,826
vii	<b>Traded Goods - Jumbo Cylinders</b>	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Jumbo Cylinders Assembly -Purchase	46	1,055,125	44	1,029,435
	Jumbo Cylinders Assembly - Sales	46	1,418,088	44	1,356,432
viii	<b>Traded Goods - Jumbo Skid</b>	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Jumbo Skid with Chasis - Purchase	0	0	5	2,422,200
	Jumbo Skid with Chasis - Sales	0	0	5	5,358,200
ix	<b>Traded Goods - Valves</b>	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Trading purchase Valves	632	25,018	1,275	31,299
	Trading Sales Valves	632	31,128	1,275	39,475
x	<b>Traded Goods - Carbon Steel Fittings</b>	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Trading Purchase - Carbon Steel Fittings	106	83,829	0	0
	Trading Sales - Carbon Steel Fittings	106	88,021	0	0
xi	<b>Traded Goods - Carbon Steel Pipes</b>	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase Carbon Steel Pipes	882	1,416,225	0	0
	Trading Sales - Carbon Steel Pipes)	882	1,487,036	0	0
xii	<b>Traded Goods-CNG Vessel Storage Assembly</b>	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Trading Purchase -CNG Vessels Storage Assembly	4	571,052	0	0
	Trading Sales- CNG Vessels Storage Assembly	4	667940	0	0
xiii	<b>Traded Goods-Iron Ore Lumps</b>	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase (Iron Ore Lumps )	208,685	38,143,780	0	0
	Trading Sales - Iron Pipes Lumps	208,685	40,006,365	0	0



Parag Parekh & Co

إخراج بلاريخ وشركاه لمراجعة الحسابات  
**PARAG PAREKH & CO**  
**CHARTERED ACCOUNTANTS**  
P.O. BOX: 120341 DUBAI - U.A.E.

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

Property, Plant and Equipment Schedule  
Year ended March 31, 2016  
All figures in UAE Dirhams

Particulars	Gross Block		Cost at 31.3.2016	As at 1.4.2015	Depreciation		Net Value			
	Cost at 1.4.2015	Additions			Disposals	As at 31.3.2016	SLM Rate	As at 1.4.2015	As at 31.3.2016	
Factory Building - I	10,577,885	0	10,577,886	2,988,131	417,871	0	3,406,002	3.33%	7,589,755	7,171,884
Factory Building - II	10,071,710	121,124	10,194,834	2,319,618	337,110	0	2,556,728	3.33%	7,854,092	7,634,106
Residential Apartments	1,943,860	1,799,250	3,743,110	139,238	37,777	0	188,035	1.67%	1,813,602	3,573,373
Plant and Machinery - I	17,810,179	1,624,954	19,435,133	12,302,694	370,104	0	12,672,798	4.00%	5,507,485	6,762,335
Plant and Machinery - II	20,478,312	225,870	20,702,182	13,350,888	396,975	0	13,747,863	4.00%	7,127,424	6,944,370
Factory Equipment	464,585	77,465	542,050	179,719	56,428	0	166,147	6.87%	334,868	375,903
Vehicles	671,726	250,000	867,236	554,890	87,811	-54,503	388,301	12.50%	116,846	279,035
Furniture and Fixtures	709,031	866,386	1,376,517	364,210	136,448	0	300,658	10.00%	345,421	875,802
Computers	179,938	63,335	248,323	376,749	30,714	0	167,463	33.33%	43,239	89,860
Equipment (employees)	9,445	0	9,445	9,444	0	0	9,444	20.00%	1	1
Air Conditioners	100,029	6,600	106,629	89,308	4,783	0	94,089	20.00%	10,791	12,570
Office Equipment	122,447	0	122,447	420,221	2,213	0	122,414	20.00%	2,226	12
Total	85,141,838	4,838,784	90,980,622	32,396,150	1,858,229	-54,500	34,199,879		30,745,708	31,729,263

Notes

- a Vehicles (cost) hypothecated against loans taken are
- b Factory Buildings are constructed on leasehold land



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پاراگ پارےکھ و شریکاء شراکتہ لمیٹید  
PARAG PAREKH & CO  
CHARTERED ACCOUNTANTS  
P.O. BOX: 120341 DUBAI - U.A.E.

**EKC International FZE**

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

**"Other Information"**

Year Ended March 31, 2016

All figures in UAE Dirhams

1 Significant Ratios		YE 31.3.2015
Profit on trading sales	2,790,391	3,686,007
Margin on trading sales	6.29%	24.35%
Net Profit / (Loss) from manufacturing sales excluding other income	-4,130,000	-1,090,024
Net Margin on manufacturing sales & Increase in stock	-8.16%	-1.87%
Raw materials consumed to mfg. sales & Increase in stock	55.58%	55.99%
Mfg. overheads to mfg. sales & Increase in stocks	17.12%	14.69%
Personnel costs to mfg. sales & Increase in stocks	12.74%	10.92%
Selling costs to mfg. sales & Increase in stocks	5.04%	8.05%
Admin costs to mfg. sales & Increase in stocks	7.98%	3.66%
Finance costs to mfg. sales & Increase in stocks	6.04%	4.90%
Depreciation to mfg. sales & Increase in stocks	3.67%	3.64%
Profit / (Loss) from operations on total income (%)	-1.41%	3.54%
Net Profit on sales (%)	1.10%	6.01%
Return on Average Investment ( %)	0.33%	1.42%
Fixed assets turnover (times)	1.45	1.85
Current Ratio (Times)	1.67	2.14
Debt/ Equity Ratio (Times)	0.31	0.19
Inventory Turnover (Times)	1.84	1.55
Inventory Turnover ( days )	198	236
Debtors turnover ( days )	105	97
Creditors for raw materials turnover (days )	11	11



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پراج پاریکھ و شریکاء لمراجعة الحسابات  
**PARAG PAREKH & CO**  
**CHARTERED ACCOUNTANTS**  
 P.O. BOX: 130141 DUBAI - U.A.E.

2 **Bank credit facilities in US Dollars**

Type	Limits	Utilization
Letters of Credit / Bank Guarantee	\$3,500,000	\$1,264,447
Overdraft / Trust Receipts / Local cheques discounted / Foreign Bills discounted.	\$20,000,000	\$19,721,305
	<u>\$23,500,000</u>	<u>\$20,985,752</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	7,171,884
Building II, Furniture etc. on Plot S2 1004	6,500,000	7,638,106
Plant and Machinery I on Plot MO 313	15,000,000	6,762,335
Plant and Machinery II on Plot S2 1004	5,000,000	6,954,319

	Policy Value	Annual Wages
Workmen's Compensation	3,500,000	2,925,958

4 **Accounting Software**

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


*Parag Parekh & Co*  
