



# EVEREST KANTO CYLINDER LTD.

204, RAHEJA CENTRE, FREE PRESS JOURNAL MARG, 214, NARIMAN POINT, MUMBAI - 400 021.

## Clean Energy Solution Company



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2008					
Rs. in Lacs					
Sr. No	Particulars	CONSOLIDATED		STAND ALONE	
		Year ended 31.03.2008 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Audited)	Year ended 31.03.2007 (Audited)
1	Net sales/Income from operations	52874	42505	33360	33057
2	Other Income	796	397	1255	1270
3	Total Income	53670	42902	34615	34327
4	Expenditure				
	a) (Increase) /Decrease in stock in trade	(748)	(2885)	155	(2724)
	b) Raw Materials,Components,etc. consumed	27926	22818	17553	20683
	c) Purchase of traded goods	--	3518	412	964
	d) Staff Cost	2168	1740	1446	1416
	e) Depreciation	2149	1778	1632	1647
	f) Other Expenditure	8261	5911	5431	4946
	Total	39756	32880	26629	26932
5	Finance charges	710	488	483	329
6	Profit from Ordinary Activities before tax	13204	9534	7503	7066
7	Tax Expense (Net)	2426	2359	2426	2359
8	Net Profit From Ordinary Activities after tax	10778	7175	5077	4707
9	Prior Period Adjustments	351	(2)	351	(2)
10	Net Profit for the Year	10427	7177	4726	4709
11	Paid up Share Capital (Face value of Rs.2/-) (@)	2023	1952	2023	1952
12	Reserves (Excluding Revaluation Reserves)	45938	27851	45938	25560
13	Basic and Diluted Earnings Per Share of Rs. 2/- each (in Rupees)	10.54	7.80	4.78	5.12
14	Aggregate of Public Shareholding				
	- Number of shares (@)	40,822,682	37,274,655	40,822,682	37,274,655
	- % of Share holding	40.36	38.19	40.36	38.19

(@) Refer Note 5.

### NOTES

- The standalone figures for the current year are not comparable with the previous year figures in view of the sale of the fixed assets of the Dubai branch of the company to its wholly owned subsidiary on 1st November, 2006
- During the year, the Company has raised a sum of US\$35 Million by way of issue of Foreign Currency Convertible Bonds (FCCB) which are due in 2012. These FCCBs are optionally convertible into equity shares subject to certain conditions, the impact of which are not determinable at present. Considering that the premium is payable if and when the redemption option is exercised, the same will be accounted at the time of redemption of the FCCBs by way of debit to the Securities Premium Account. For the purpose of earnings per share, the conversion option is considered to be anti dilutive.
- The Company made a preferential allotment of 3,548,027 equity shares of Rs.2/- each aggregating to Rs. 8,870 lacs pursuant to the approval of the shareholders at the EGM held on 7<sup>th</sup> November, 2007. The Company has fully utilised the proceeds for the purpose for which it was raised.
- As a part of its global expansion plans, the Company has through its wholly owned subsidiary, incorporated step down subsidiaries in Hungary and further in U.S.A. which entities have acquired all the assets of CP Industries, a division of Reunion Industries Inc. for a total consideration of US\$ 66.30 Million. For part financing the acquisition, the Company has extended, after the close of the year, a Corporate Guarantee of US\$ 45 Million to three banks who have part financed the acquisition. This acquisition has been consummated on 18th April, 2008 and no adjustment whatsoever has been made in the accounts for the year ended 31<sup>st</sup> March, 2008. The Company has, after the close of the year, invested Rs. 3,609.90 lacs in the capital of the U.S.A. subsidiary through its wholly owned subsidiary.
- During the year, the Company completed the process of sub division of the face value of shares from Rs. 10/- per share to Rs. 2/- per share. Consequently, the aggregate number of shares held by public represents the number of shares post sub division of the equity share capital.

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED				
Rs. in Lacs				
PARTICULARS	Year ended 31.03.2008 (Audited)		Year ended 31.03.2007 (Unaudited)	
	1. Segment Revenue			
a) India	33360		24220	
b) U.A.E (Dubai)	27639		21274	
c) China	-		-	
Total	60999		45494	
Less: Inter Segment Revenue	8125		2989	
Gross Sales/Income from Operation	52874		42505	
2. Segment Result				
a) India	6729		3749	
b) U.A.E (Dubai)	7113		6114	
c) China	-		-	
Total	13842		9863	
Add : Unallocable Income	72		159	
Less : Interest (Net)	710		488	
Total Profit before Tax	13204		9534	
3. Capital Employed				
a) India	44126		24936	
b) U.A.E (Dubai)	17654		9803	
c) China	10241		2330	
d) Unallocable	(24060)		(6825)	
Total	47961		30244	

MANUFACTURING FACILITIES	
LOCATION	ANNUAL CAPACITY (IN UNITS)
• AURANGABAD	110000
• TARAPUR	160000
• GANDHIDHAM	340000
• DUBAI (2 UNITS) (Capacity Doubled in F.Y. 2007-08)	196000
• CHINA (Commissioned in May, 2008)	200000
• U.S.A. (CP INDUSTRIES) (Acquired in April, 2008) Manufacturer of Ultra Large Pressure Vessels	4000 (Approx.)

- In view of the fall in US Dollar rate in the current period vis-a-vis the corresponding period of the previous year, the Dubai operations translated in Indian Rupees for consolidation purpose have been lower by about 11%
- Other income during the year includes Profit on Sale of Current Investments Rs. 139.32 lacs and interest income Rs. 489.65 lacs
- Tax Expense includes Current Tax, Deferred Tax and Fringe Benefit Tax, but excludes tax adjustments relating to earlier years which are disclosed under prior period adjustments.
- The consolidated financial statements include the audited financial statements of the Company and its two wholly owned subsidiaries, EKC Industries (Tianjin) Co. Ltd., China and EKC International FZE, UAE.
- The Company and its subsidiaries operate within a single business segment. Segment information is being presented on the basis of geographical location of the entities.
- The above results were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at their meeting held on May 26, 2008.
- The Directors have recommended a dividend of 60 % for the year ended 31<sup>st</sup> March, 2008 (Previous Year 50%) subject to approval of shareholders.
- Previous year figures have been regrouped / recast wherever necessary.
- Information on investor complaints for the quarter : Opening Balance-Nil, New-2, Disposal-2, Closing Balance - Nil.

By Order of the Board  
For Everest Kanto Cylinder Limited

Place : Mumbai  
Date : 26<sup>th</sup> May, 2008

P.K. Khurana  
Chairman & Managing Director