

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

11th Audited Financial Statements
Year ended March 31, 2017

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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, 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2017, the result of its operations, changes in equity and its cash flows for the year ended March 31, 2017 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.

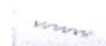
Without qualifying our opinion, we draw attention to the following matter :

- a Debtors of AED 8,991,074/- 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 6iii in the financial statements.

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

Parag Parekh & Co

Chartered Accountants
Dubai, United Arab Emirates
Dated : April 22, 2017



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

Statement of Financial Position as at March 31, 2017
All figures are expressed in UAE Dirhams

		As at 31.3.2017	As at 31.3.2016
	Note		
Property, Plant and Equipment			
Gross Block	Sch 1	69,604,829	67,926,122
Less: Accumulated Depreciation		<u>-36,093,853</u>	<u>-34,199,859</u>
Net Block		33,510,976	33,726,263
Capital Work in Progress	3	<u>7,707</u>	<u>0</u>
Sub total		<u>33,518,683</u>	<u>33,726,263</u>
Investment in equity of Wholly Owned Subsidiaries	4	28,383,523	28,383,523
Investment in Joint Venture	5	183,500	0
Unsecured Loan given to WOS	10	142,353,987	144,582,559
Loan given to related party	11	40,356,825	39,273,991
Current Assets			
Inventories	6	43,323,793	50,631,949
Sundry Debtors	7	20,016,351	26,749,805
Cash and Bank Balances	8	5,980,165	3,364,202
Deposits, advances & Prepayments	9	1,159,985	2,625,782
Due from Related Parties	12	<u>76,418,497</u>	<u>73,934,240</u>
Sub total		<u>146,898,791</u>	<u>157,305,978</u>
Less : Current Liabilities			
Sundry Creditors	13	12,408,964	14,032,476
Provisions	14	618,331	1,074,816
Secured Loans from banks - Current Portion	15	62,087,074	72,450,909
Unsecured loan from Others	16	5,586,444	5,505,000
Unsecured loan from Related Party	17	<u>1,496,468</u>	<u>1,406,003</u>
Sub total		<u>82,197,281</u>	<u>94,469,204</u>
Net Current Assets		64,701,510	62,836,774
Less :Non Current liabilities			
Secured Loans from banks - Non Current Portion	15	<u>665,005</u>	<u>173,370</u>
Net Assets		<u>308,833,023</u>	<u>308,629,740</u>
Shareholders Equity			
Share Capital	1a	1,000,000	1,000,000
Additional Capital	1a	16,203,619	16,203,619
Accumulated Profits		<u>291,629,404</u>	<u>291,426,121</u>
Total		<u>308,833,023</u>	<u>308,629,740</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, 2017 on behalf of the Board by

Mr. Puskara 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, 2017

		YE	YE
	Note	31.3.2017	31.3.2016
<i>All figures are expressed in U.A.E. Dirhams</i>			
Sales			
Sales -Manufacturing	18	45,590,870	48,952,652
Sales-Trading	19	40,430,448	44,352,524
<i>Sub - total</i>		<u>86,021,318</u>	<u>93,305,176</u>
Increase /(Decrease) in Stock	20	-972,169	1,639,743
Total income		<u>85,049,149</u>	<u>94,944,919</u>
Expenditure			
Raw Materials Consumed	21	20,600,904	28,117,607
Trading Cost of Sales	22	38,464,154	41,562,133
Manufacturing Expenses	23	8,093,652	8,661,586
Personnel Expenses	24	8,736,726	6,443,108
Selling Expenses	25	1,973,211	2,547,709
Administrative Expenses	26	2,927,526	4,038,644
Finance Expenses	27	4,565,521	3,055,511
Depreciation	Sch 1 & 2	2,078,166	1,858,230
Total expenditure		<u>87,439,860</u>	<u>96,284,528</u>
Profit / (Loss) from Operations		-2,390,711	-1,339,609
Other Income	28	2,593,994	2,370,569
Net profit carried to statement of financial position		<u>203,283</u>	<u>1,030,960</u>

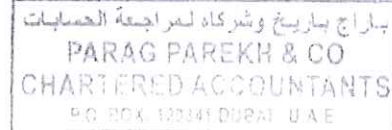
Financial statements were authorised on April 28, 2017 on behalf of the Board by

Mr. Pushkar Khurana
Managing Director



Parag Parekh & Co
Chartered Accountants

Parag Parekh & Co



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, 2017

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

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 1.4.2016	1,000,000	16,203,619	291,426,121	308,629,740
Transfer from Income Statement	0	0	203,283	203,283
Balance as at 31.3.2017	<u>1,000,000</u>	<u>16,203,619</u>	<u>291,629,404</u>	<u>308,833,023</u>
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>



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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, 2017

	YE 31.3.2017	YE 31.3.2016
I Cash flow from Operating Activities		
Net Profit	203,283	1,030,960
Add: Depreciation	2,078,166	1,858,230
Add: Finance expenses	4,565,521	3,055,511
Add : Loss on Sales of Residential Apartment	339,776	0
Less : Profit on Sale of Vehicles	-46,000	-21,000
Less : Interest income	-2,538,067	-2,217,449
Operating Profit before changes in operating assets and liabilities	4,602,679	3,706,252
Inventories	7,308,156	-4,074,859
Sundry Debtors	6,733,454	-7,505,698
Deposits, Advances & Prepayments	1,465,797	253,910
Sundry Creditors	-1,623,512	8,906,700
Provisions	-456,485	-1,128,043
Cash generated from / (used in) operations	18,030,089	158,262
Less : Finance expenses	-4,565,521	-3,055,511
Net Cash from / (used in) Operating Activities	13,464,568	-2,897,249
II Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	-3,634,655	-4,838,784
Proceeds from sales of Property, plant and equipment	1,478,000	21,000
Capital Work in progress	-7,707	447,500
Fixed Deposits	-2,354,538	-110,787
Due from Related Parties	-2,484,257	-30,205,377
Unsecured Loans given to WOS	2,228,572	-1,326,146
Loans Given to Related party	-1,082,834	-1,085,798
Investment in Joint Venture	-183,500	0
Interest Income	2,538,067	2,217,449
Net Cash used in Investing Activities	-3,502,852	-34,880,943
III Cash Flow from Financing Activities		
Secured Loans from banks	724,020	216,382
Unsecured Loans from Others	81,444	5,505,000
Unsecured Loans from EKC Thailand	90,465	90,715
Net Cash from Financing Activities	895,929	5,812,097
Changes in Cash and Cash Equivalents	1+II+III	10,857,645
Cash & Cash Equivalents at the year beginning	-71,001,567	-39,035,472
Cash and Cash Equivalents at the year end	2k & 7	-60,143,922
	0	0

Supplemental Cash Flow Statement Information

Non-Cash Transactions

Nil

Nil



EKC International FZE

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

Accounting Policies and Explanatory Notes

Year Ended March 31, 2017

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.



ic **Management**

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

2 **Accounting Policies**

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

a **Accounting Basis**

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

b. **Measurement Basis**

These Financial Statements have been prepared on historical cost basis.

c. **Functional/ Presentation Currency**

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

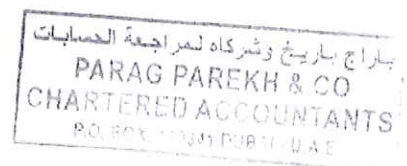
d. **Property, Plant and Equipment (Section 17 - IFRS for SMEs)**

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

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

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

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



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

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

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

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

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

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

Alternate treatment

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

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

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

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.



1 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	27,727	45,894
Balance with Banks		
Current Accounts	1,609,321	1,329,729
Bank Overdraft account	-61,780,970	-72,377,190
	<u>-60,143,922</u>	<u>-71,001,567</u>

3 Capital Work In Progress

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

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

	USD	Exchange rate	HUF
Initial Remittance	7,098,089	159.761	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	2,710,010
Share capital as at 31.3.2017	<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 288.014 as at 31.3.2017.

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

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

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

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

In Kamal EKC Industries Limited - Tanzania
At cost

183,500	0
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The company has a share of 50% in Kamal EKC Industries Ltd - Tanzania.

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

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

6 Inventories (at FIFO method)

(As Valued & Certified by Managing Director)

Raw materials- Pipes	8,337,064	14,156,431
Raw materials - Valves	292,117	449,659
Work-in-Process	14,509,305	16,720,837
Finished Goods	13,176,104	11,936,741
Trading Goods - Cylinders	2,801,319	4,758,820
Fuel & Gas	47,374	31,819
Stores and Consumables	4,160,510	2,577,642
	<u>43,323,793</u>	<u>50,631,949</u>

7 Sundry Debtors

Outstanding for less than six months

- Secured By LC /PDC

- Unsecured

0	0
11,025,276	17,311,885
<u>11,025,276</u>	<u>17,311,885</u>

Outstanding for more than six months

- Secured By LC

- Unsecured

0	0
8,991,075	9,437,920
<u>8,991,075</u>	<u>9,437,920</u>

<u>20,016,351</u>	<u>26,749,805</u>
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Notes:

i Balances are taken as per books pending confirmations.

ii As at April 17, 2017 subsequent amount received from debtors is AED

393,905

iii Debtors of AED 8,991,075/- 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.

8 Cash & Bank Balances

Cash On Hand

27,727

45,894

Balance with Banks

Bank Current accounts

1,609,321

1,329,729

Fixed deposits (Under lien)

4,343,117

1,988,579

5,980,165

3,364,202



9 Deposits, Advances & Prepayments

(unsecured and considered good)

Deposits	253,613	241,696
Advances to suppliers excluding Machinery	181,015	1,604,783
Advance to staff	50,030	1,440
Prepaid expenses	675,327	777,863
	<u>1,159,985</u>	<u>2,625,782</u>

10 Unsecured Loans given to Subsidiaries

a Loan given to wholly owned subsidiary, EKC Hungary	56,052,266	57,823,474
Interest receivable	0	1,898,791
b Loan given to wholly owned subsidiary EKC Europe GmbH)	1,435,363	1,435,363
Germany		
Unrealised Gain/(Loss) on Loans Given	0	0
Interest receivable	187,086	149,148
c Loan given to step down subsidiary, CP Industries Holdings	77,592,608	77,592,608
Inc., USA		
Interest receivable	7,086,664	5,683,175
	<u>142,353,987</u>	<u>144,582,559</u>

Notes:

i The company has given US Dollar loans to it's Wholly Owned Subsidiary EKC Hungary Ltd, Hungary. The loan is interest free from 1.4.2010 as per amended loan contract dated 1-6-2010. The company was charging floating rates of interest (3 months LIBOR +1 %) till 31.3.2010. It's repayable on demand.

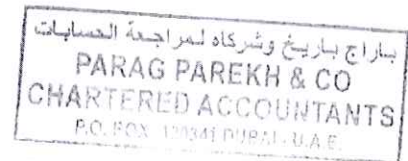
The loan is repayable on demand but there is no repayment since 12.4.2008 hence it is taken to non current assets.

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

Since the principal amount & interest outstanding on these loans are receivable only on maturity, these are considered as a non current assets.

As per management policy, these loans are retained at the rate of exchange on actual remittance. The Loans given are in Euro and the repayment of loans will also be in Euro.

iii The company has given US Dollar loans to it's step down wholly owned subsidiary CP Industries Holdings Inc., USA bearing interest at floating rates of 3 months LIBOR + 1 % repayment date extended up to 31.3.2019; however it is not been repaid since July 2010 hence it is presented as non current assets.



11 Loans given to related party

Project loan given to EKC China	26,185,450	26,185,450
Interest receivable on Project loan to EKC China	2,439,783	1,654,215
	<u>28,625,233</u>	<u>27,839,665</u>
Working Capital Loan given to EKC China	9,909,000	9,909,000
Interest receivable on Working Capital loan to EKC China	1,822,592	1,525,326
	<u>11,731,592</u>	<u>11,434,326</u>
	<u>40,356,825</u>	<u>39,273,991</u>

Notes:

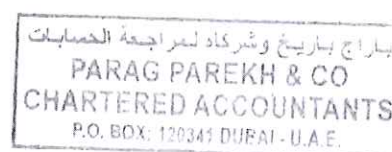
- The company has agreed to give Project loan of USD 10 Million & Working Fund Loan of USD 5 Million to its related party EKC Industries (Tianjin) Co. Ltd, China (Wholly Owned Subsidiary of Everest Kanto Cylinder Limited, India). Partial loans have been given under both loan agreements at the statement of financial position date.
- The Project loan of USD 10 Million are unsecured bearing interest rates of 3% per annum. Repayment of these loans are extended up to 10-Dec-2019 however there is no repayment from 2011 Hence it is treated as non current assets.
- The Working Fund Loan of USD 5 Million are unsecured bearing interest rates of 3% per annum. Repayment of these loans are extended up to 10-Dec-2017 however there is no repayment from 2011 Hence it is treated as non current assets.

12 Due from Related Parties (Net)

a	EKC Industries -Dubai Branch of Parent Company -(net)	1,708,025	1,708,137
b	EKC Industries (Tianjin) Co. Ltd, China	3,758,117	4,136,934
c	Everest Kanto Cylinder Ltd, India (Parent Company)-(net)	69,902,069	67,048,356
d	C.P.Industries Holding Inc., USA (Step Down WOS)	-617,323	0
e	EKC Europe GmbH, Germany (wholly owned subsidiary)	5,215,582	3,220,506
f	EKC (Industries) Thailand Co Ltd (WOS of Parent Co)	-3,547,973	-3,547,973
g	EKC International , Colombia Branch	Note	0
h	EKC International , Peru Branch	Note	0
	<i>Balances are Confirmed by Related parties</i>	<u>76,418,497</u>	<u>73,934,240</u>

Note :

The payments made to the branches are intended to be recoverable in nature and hence these were not been expensed. 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 hence the same is expensed in the parents books.



13 Sundry Creditors

For Raw Materials	872,977	807,510
For Capital expenditure	1,475	0
For Consumables, fuel and gas	1,611,579	1,099,211
For Expenses	1,159,422	857,197
For Trading Goods	7,911,983	11,038,890
Advances from sundry debtors	851,528	229,668
	<u>12,408,964</u>	<u>14,032,476</u>

Balances are taken as per Books pending confirmations

14 Provisions

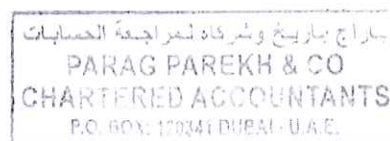
Outstanding expenses	171,654	659,763
Salaries and wages payable	446,677	415,053
	<u>618,331</u>	<u>1,074,816</u>

15 Secured loans from Banks - Current

Bank Overdraft	61,780,970	72,377,190
Vehicle Loans from Bank -Current	306,104	73,719
	<u>62,087,074</u>	<u>72,450,909</u>
Secured loans from Banks - Non Current		
Vehicle Loans from Bank	665,005	173,370
Total	<u>62,752,079</u>	<u>72,624,279</u>

Notes:

- Bank Overdraft facility from Emirates NBD Bank** is secured by Standby Letter of Credit of USD 2M given by ICICI Bank Limited (DIFC Branch), Dubai, bearing interest rate of monthly EIBOR +2.75% p.a. with a minimum applicable interest rate of 3.25% p.a.; The facility is denominated in UAE Dirham's.
- 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.



16 Unsecured Loan from Others		
Interest Payable on Loan taken	5,505,000	5,505,000
	81,444	0
	<u>5,586,444</u>	<u>5,505,000</u>

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

17 Unsecured Loan from Related Party

EKC Industries (Thailand) Co. Ltd.		
Interest Payable on Loan taken	1,247,800	1,247,800
	248,668	158,203
	<u>1,496,468</u>	<u>1,406,003</u>

Notes:

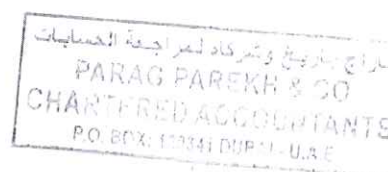
- i The company has taken Loan in USD from related party EKC Industries (Thailand) Co. Ltd. (Wholly Owned Subsidiary of Everest Kanto Cylinder Ltd., India)
- ii The Loan is Unsecured, repayable on demand, bearing interest rate of 7.25% p.a.,

18 Sales - Manufacturing

Sales -Mfg - Export -CNG Cylinders	29,222,505	27,134,875
Sales -Mfg. - Local -CNG Cylinders	4,986,998	7,435,875
Sales -Mfg. - Export -Semi Finished Steel Shell EKC Mumbai	11,381,367	13,681,577
Sales -Mfg. -Local-Semi Finished Steel Shell	0	700,325
	<u>45,590,870</u>	<u>48,952,652</u>

19 Sales Trading

Sales -Trading -Iron Ore Lumps	34,939,947	40,006,365
Sales -Trading -Pipes - EKC Mumbai	2,352,403	135,423
Sales Trading - CNG Vessels Storage Assembly	1,445,980	667,940
Sales -Trading -Fire Fighting	96,640	0
Sales -Trading -Export - Cylinders	712,604	40,340
Sales -Trading -Cascade	406,440	0
Sales -Trading -Industrial Cylinders	9,495	230,247
Sales -Trading -Stores and Consumable	86,928	0
Sales -Trading -Stores Consumable -Others	27,955	144,701
Sales -Trading -Export - Valves	10,019	31048
Sales -Trading -Local - Valves	17,971	80
Sales -Trading -Jumbo Cylinder Assembly	0	1,418,088
Sales -Trading - Fittings	0	88,021
Sales -Trading -Carbon Steel Pipes	0	1,487,036
Freight Collected From Others	164,343	39,503
Freight Collected From EKC Europe	0	9,175
Sales Scrap	186,666	137,000
Discount Given	-26,943	-82,443
	<u>40,430,448</u>	<u>44,352,524</u>



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

Opening stock	16,720,837	13,512,502
Closing Stock	-14,509,305	-16,720,837
Sub total	<u>2,211,532</u>	<u>-3,208,335</u>

a

Finished goods

Opening stock	11,936,741	13,505,333
Closing Stock	-13,176,104	-11,936,741
Sub total	<u>-1,239,363</u>	<u>1,568,592</u>
Total	<u>972,169</u>	<u>-1,639,743</u>

b

a+b

21 Raw Materials Consumed

Opening Stock	14,606,090	17,134,665
Transfer from RM Pipe to Trading Pipe	0	-127,561
Transfer from RM Valves to Trading Valves	0	-25,018
Purchases and direct expenses	14,623,995	25,741,611
Closing stock	-8,629,181	-14,606,090
	<u>20,600,904</u>	<u>28,117,607</u>

22 Trading cost of sales

Opening Stock- cylinders	4,758,820	129,695
Trading Purchase -Cylinders - others & Direct Expenses	3,194,688	7,894,899
Trading Purchase - Iron Ore Lumps	33,311,965	38,143,780
Transfer from RM Pipe to Trading Pipe	0	127,561
Transfer from RM Valves to Trading Valves	0	25,018
Closing Stock -cylinders	-2,801,319	-4,758,820
	<u>38,464,154</u>	<u>41,562,133</u>

23 Manufacturing Expenses*Fuel and Gas consumed*

Opening stock	31,819	42,514
Purchases	1,613,966	1,708,234
Closing Stock	-47,374	-31,819
Sub total	<u>1,598,411</u>	<u>1,718,929</u>

a

Stores, Spares & Tools

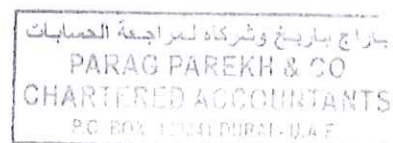
Opening Stock	2,577,642	2,232,381
Purchase	2,651,505	2,507,658
Closing Stock	-4,160,510	-2,577,642
Sub total	<u>1,068,637</u>	<u>2,162,397</u>

b

Other Manufacturing overheads

Total	<u>5,426,604</u>	<u>4,780,260</u>
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a+b+c



24 Personnel Expenses		
Wages and benefits to supervisors and workers	4,579,548	4,637,208
Salaries and benefits to staff	2,846,027	724,856
Salaries and benefits to Directors	1,311,151	1,081,044
Total	<u>8,736,726</u>	<u>6,443,108</u>
25 Selling Expenses		
Advertising Expenses	157,768	212,435
Carriage Outward	83,845	74,750
Clearing & Forwarding (export)	964,940	915,716
Sales Promotion Expenses	310,688	225,972
Commission on Sales	71,402	827,069
Packing Expenses	346,053	242,462
CSC Certification Charges	20,185	27,525
Export Certification Charges	18,330	21,780
	<u>1,973,211</u>	<u>2,547,709</u>
26 Administrative Expenses		
Travelling Expenses	703,235	678,774
Insurance (General)	241,343	222,457
Visa Expenses	206,693	196,916
Office Expenses	325,565	190,044
Flat Maintenance Expenses	156,315	181,649
Professional Fees	3,793	155,802
Staff Welfare	178,614	136,354
Telephone Expenses	157,673	117,716
Motor Car Expenses (Petrol, Parking Etc.)	93,106	90,795
Legal & Professional Charges	78,206	70,923
Audit Fees	67,500	67,500
Guest / Visitors Expenses	73,672	67,946
Printing & Stationary.	49,687	44,248
Motor Car Repairs	30,498	29,563
Postage & Courier Charges	34,318	24,408
Insurance (Director)	15,662	20,473
Licenses fees	24,360	17,360
Medical Reimbursement	-6,248	11,930
Registration Fees	8,200	8,200
Repairs Computer	3,790	7,570
Legalization & Documentation	7,135	6,380
Repair & Maintenance -Others	0	2,000
Set up charges - Peru	67,130	0
Discount and /Sundry Balance W/off	67,503	-8
Loss on Sale of Property	339,776	0
Compensation Expenses	0	1,689,644
	<u>2,927,526</u>	<u>4,038,644</u>



27 Finance Expenses

Interest/Charges on overdraft	3,629,547	2,460,069
Bank Charges	71,151	65,535
Bank Charges- Salary Transfer	18,045	18,234
Bank Charges - Export	15,407	28,485
Bank Charges on Debtors Collection	20,952	20,416
Guarantee Commission to Parent Company	246,845	282,244
Interest on loans to EKC Industries Thailand Co Ltd	90,466	90,715
Interest expense on Unsecured Loan	337,539	0
Interest on Vehicle Loans	34,742	-2,688
Foreign exchange Gain/Loss - Others	100,827	57,284
Discounting Interest	0	35,217
	<u>4,565,521</u>	<u>3,055,511</u>

28 Other Income

Profit on sale of Vehicle	46,000	21,000
Sundry balances written back	2,102	0
CSC Certification Charges -Income	0	91,750
Inspection Income	918	40,370
Interest income on Loan To CP Industries	1,403,489	1,082,422
Interest income on Loan To EKC China	1,082,833	1,085,799
Interest income on Loan To EKC Europe	37,938	38,442
Interest on Fixed Deposits etc.	13,807	10,786
Other income	6,907	0
	<u>2,593,994</u>	<u>2,370,569</u>

29 Lease commitments

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

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

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

7,342,903 79,560

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

8,694,140 9,716,980

Total

16,037,043 9,796,540



30 Purchase commitments and Contingent liabilities

Letters of credit	7,014,086	4,640,519
Letters of Guarantees	7,340,000	12,845,000
Letter of Guarantees (staff visas)	850,000	1,250,000

31 Significant Events occurring after the Statement of Financial Position date

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

32 Related Parties (Section 33 - IFRS for SMEs)

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

Transactions and balances with related parties are as under :

i Everest Kanto Cylinder Ltd, India (Parent Company)

Transactions

Semi Finished (Steel Shell) - EKC Mumbai	Credit	11,381,367	13,681,577
Sales - Trading (Pipes)	Credit	2,352,403	135,423
Purchases -R.M.Pipes	Debit	88,631	164,553
Purchases - Stores Consumable / Machine Spares	Debit	584,263	610,805
Purchase Trading (Cylinders)	Debit	0	214,071
Trading Purchase (Jumbo Cyl Assembly) EKC Mumbai	Debit	0	1,055,125
Guarantee Commission expenses	Debit	246,845	282,244

Balances at statement of financial position date

Receivables

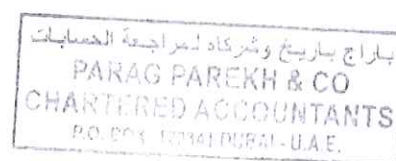
EKC Mumbai - RM Pipe- Debtors	12,670,109	10,666,839
EKC Mumbai -Cylinders- Debtors	26,182,000	25,956,948
EKC Mumbai -Cylinders- Creditors	31,173,164	30,129,783
EKC Mumbai	131,269	564,329
	<u>70,156,542</u>	<u>67,317,899</u>

Payable

Payable to EKC Mumbai for Stores/ Machine Purchase	163,557	129,511
EKC -Mumbai (Others) -Guarantee commission payable	123,071	140,032
	<u>286,628</u>	<u>269,543</u>

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

69,869,914 67,048,356



Shareholders Equity

Share Capital	Credit	1,000,000	1,000,000
Additional Share Capital	Credit	16,203,619	16,203,619
Accumulated Profits	Credit	291,629,404	291,426,121
		<u>308,833,023</u>	<u>308,629,740</u>

ii **EKC Industries, Dubai, UAE**

No Transactions During the year

<i>Balance as at statement of financial position date</i>	Debit	1,708,025	1,708,137
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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	56,052,266	57,823,474
Interest receivable from EKC Hungary	Debit	0	1,898,791
Investment in Share Capital -EKC Hungary	Debit	28,247,627	28,247,627
		<u>84,299,893</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	1,403,489	1,082,422
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Balance as at statement of financial position date

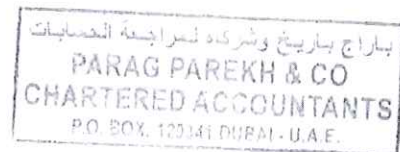
Loans given to CP Industries	Debit	77,592,608	77,592,608
Interest receivable on loan to CP Industries	Debit	7,086,664	5,683,175
		<u>84,679,272</u>	<u>83,275,783</u>

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

R.M.Pipe Purchase	Debit	0	3,145,190
Kelly Tube Storage Assembly - in Skid, - Purchase	Debit	539,123	0
CNG Jumbo Cylinders Purchase	Debit	148,635	0
Semi Finished R .M(Steel Pipes)	Debit	0	68,079
CNG Vessels Storage Assembly	Debit	1,168,895	
Clearing & Forwarding (export)	Debit	22,020	22,350
Interest Income on Loan	Credit	1,082,833	1,085,799

Balance as at statement of financial position date

Loans given	Debit	36,094,450	36,094,450
Interest receivable on loan	Debit	4,262,375	3,179,541
EKC China Debtors - Cylinder	Debit	1,831,734	2,210,551
EKC China Debtors - Pipe	Debit	1,835,000	1,835,000
EKC China Debtors - Clearing Forwarding	Debit	91,383	91,383



vi **EKC Europe GmbH, Germany**

Transactions

Office Security Deposit paid on behalf of WOS	Debit	0	0
Freight Collected	Credit	0	9,175
Clg & Forwarding Inward -RM	Debit	6,531	0
Store and Consumables Purchase	Debit	21,495	48,875
R.M. Valve purchase	Debit	67,620	42,924
Commission Expenses	Debit	0	45,689
Interest Income on Loans given to WOS	Credit	37,938	38,442
Sales - Export -Industrial Cylinders	Credit	9,550,075	5,316,535

***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	0
EKC Europe -Cylinders Debtors	Debit	5,493,404	3,402,683
EKC Europe (Office rent)	Debit	0	0
EKC Europe (Store & Consumables)	Credit	187,445	91,799
EKC Europe (others) - Clearing & Forwarding	Credit	44,688	44,689
EKC Europe (commission)	Credit	45,689	45,689
Loans given to WOS	Debit	1,435,363	1,435,363
Interest receivable on Loans given to WOS	Debit	187,086	149,148

vii **EKC Colombia (Branch)**

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

Transactions		Nil	Nil
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Balances as at statement of financial position date	Debit	0	1,059,289
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viii **EKC Peru (Branch)**

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

Transactions		Nil	Nil
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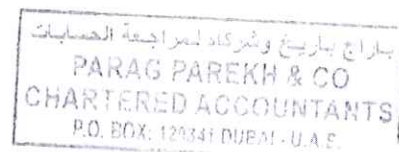
Balances as at statement of financial position date	Credit	0	308,991
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ix **EKC Thailand Co Ltd**

Transactions

Interest on Loan Taken	Credit	90,466	90,715
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Balances	Credit	5,044,441	4,953,976
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33 Segment reporting

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

<i>Sales</i>	96,640	0
<i>Cost of Sales</i>		
Opening Stock	177,848	0
Purchase	390,074	177,848
Direct Expenses	60,080	7,233
Closing Stock	-512,780	-177,848
	<u>115,222</u>	<u>7,233</u>
Gross Loss	-18,582	-7,233
Indirect Expenses	944,945	661,422
Indirect Income	-1,500	0
Net Loss	<u>-962,027</u>	<u>-668,655</u>

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

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

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

a Fair Values

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

b Credit Risk, and Exchange Rate Risk Exposure.

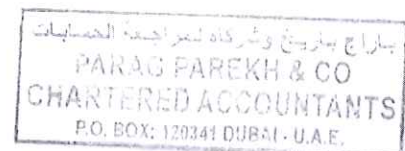
i Credit Risk

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

The company's bank balances are placed with high credit quality financial institutions. As at March 31, 2017 three parties represented 90.76 % of the outstanding trade debtors. (As at 31.3.2016 - three parties represented 86%)

Country-wise break up of Trade Debtors :

U.A.E.	10,092,945	10,367,741
Hong Kong	8,303,317	12,020,533
Colombia	873,425	457,625
Mexico	558,124	321,349
Peru	188,539	85,922
Australia	0	1,718,265
Bangladesh	0	1,305,089
Egypt	0	147
Kuwait	0	461,136
Oman	0	12,000
Total	<u>20,016,351</u>	<u>26,749,805</u>



ii **Exchange Rate Risk**

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

35 **Number of Personnel**

Managing Director	1	1
Executive Director	1	1
Vice President (Fire Fighting Division)	1	1
Staff	14	13
Supervisors	19	19
Labours	134	149
	<u>170</u>	<u>184</u>

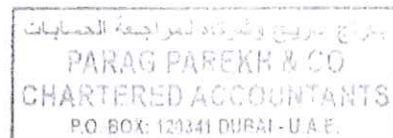
36 **Previous Year's Figures**

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

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

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

	YE 31.3.2017		YE 31.3.2016	
a Manufacturing Operations (CNG Cylinders)				
Licenced Capacity	Nil		Nil	
Installed Capacity (no's) @ 24 hours per day	240,000		240,000	
Number of manufacturing plants	2		2	
Units Produced during the year (numbers)	111,176		120,307	
b Quantitive Reconciliation	31.3.2017	31.3.2017	31.3.2016	31.3.2016
i Manufactured Goods - CNG Cylinders	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
Opening stock	20,245	11,936,741	23,768	13,505,333
Production	111,176	34,888,194	120,307	42,398,461
Sales at sale value	110,574	45,590,870	123,830	48,952,652
Closing stock	18,283	13,176,104	20,245	11,936,741
ii Raw Materials -Pipes and valves	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
Opening stock	3,797	14,606,090	3,992	17,134,665
Purchase and direct expenses	5,620	14,623,995	8,375.02	25,741,611
Consumption	6,741	17,540,142	8,523.41	28,117,607
Transfer to Trading - Pipes	739.91	3,037,994	46.32	127,561
Transfer to Trading- Valves (in Pcs)	710	22,768	632	25,018
Closing stock	1,936	8,629,181	3,797	14,606,090



iii	Traded Goods - Cylinders (various types)	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Opening stock	11,229	4,580,972	380	129,695
	Purchase	100	947,961	11,839	4,610,782
	Sales <i>at sale value</i>	756	323,295	990	270,587
	Transfer to FG	4,100	2,917,099	0	0
	Closing stock	6,473	2,288,539	11,229	4,580,972
iv	Traded Goods - Fire Fighting (various types)		<i>Value</i>		<i>Value</i>
	Opening stock		177,848		0
	Purchase		362,130		177,848
	Sales <i>at sale value</i>		27,198		0
	Closing stock		512,780		177,848
v	Traded Goods - Pipes (raw material)	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Transfer From Raw Material	702.5	3,037,994	46.3	127,561
	Sales <i>at sale value</i>	702.5	2,352,403	46.3	135,423
vi	Traded Goods - Jumbo Cylinders	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Jumbo Cylinders Assembly -Purchase	0	0	46	1,055,125
	Jumbo Cylinders Assembly - Sales	0	0	46	1,418,088
vii	Traded Goods - Valves	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Trading purchase Valves	710	22,768	632	25,018
	Trading Sales Valves	710	27,990	632	31,128
viii	Traded Goods - Carbon Steel Fittings	<i>Qty (no's)</i>	<i>Value</i>	<i>Qty (no's)</i>	<i>Value</i>
	Trading Purchase - Carbon Steel Fittings	0	0	106	83,829
	Trading Sales - Carbon Steel Fittings	0	0	106	88,021
ix	Traded Goods - Carbon Steel Pipes	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase Carbon Steel Pipes	0	0	882	1,416,225
	Trading Sales - Carbon Steel Pipes)	0	0	882	1,487,036
x	Traded Goods-CNG Vessel Storage Assembly	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Trading Purchase -CNG Vessels Storage Assembly	4	1,168,895	4	571,052
	Trading Sales- CNG Vessels Storage Assembly	4	1,445,980	4	667,940
xi	Traded Goods- Cascade	<i>Qty (Sets)</i>	<i>Value</i>	<i>Qty (Sets)</i>	<i>Value</i>
	Trading Purchase - Cascade	3	324,795	0	0
	Trading Sales- Cascade	3	406,440	0	0
xii	Traded Goods-Iron Ore Lumps	<i>Qty (tons)</i>	<i>Value</i>	<i>Qty (tons)</i>	<i>Value</i>
	Trading Purchase (Iron Ore Lumps)	137,070	33,311,965	208,685	38,143,780
	Trading Sales - Iron Pipes Lumps	137,070	34,939,947	208,685	40,006,365

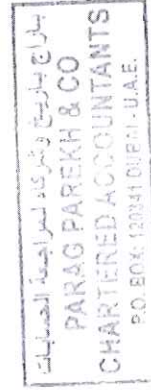


EKC International FZE
P.O. Box 61041, Jebel Ali Free Zone, Dubai, U.A.E.

Property, Plant and Equipment Schedule
Year Ended March 31, 2017
All figures in UAE Dirhams

Particulars	Gross Block		Cost at 31.3.2017	Depreciation		Net Value	
	Cost at 1.4.2016	Additions Disposals		As at 1.4.2016	Additions Disposal	As at 31.3.2017	As at 31.3.2017
Factory Building - I	10,577,886	0	10,577,886	417,870	3,823,872	7,171,884	6,754,014
Factory Building - II	10,194,834	442,750	10,637,584	341,563	2,898,291	7,638,106	7,759,293
Residential Apartments	3,743,410	0	1,943,860	54,870	195,131	3,575,375	1,748,729
Plant and Machinery-I	19,435,133	1,785,462	21,220,595	452,653	13,125,451	6,762,335	8,095,144
Plant and Machinery-II	20,702,182	0	20,702,182	402,004	14,149,867	6,954,319	6,552,315
Factory Equipment	542,050	59,740	601,790	42,423	208,570	375,903	393,220
Vehicles	867,236	978,299	1,689,135	139,985	571,786	279,035	1,117,349
Furniture and Fixtures	1,376,517	324,935	1,701,452	179,398	680,053	875,862	1,021,399
Computers	248,323	34,446	282,769	41,741	209,204	80,860	73,565
Equipment (employees)	9,445	0	9,445	0	9,444	1	1
Air Conditioners	106,659	9,025	115,684	5,648	99,737	12,570	15,947
Office Equipment	122,447	0	122,447	13	122,447	13	0
Total	67,926,122	3,634,657	69,604,829	2,078,168	-184,174	33,726,263	33,510,976

Notes:
Factory Building II, Plot no 2 21004 in Jafza South, Dubai is Mortgage with ICICI Bank against Financial Guarantee
Residential Apartments consist 5 residential apartments are exclusive mortgage with ICIC Bank against Financial Guarantee
Vehicles (cost) hypothecated against loans taken are :
1,227,000
Factory Buildings are constructed on leasehold land.



EKC International FZE

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

“Other Information”

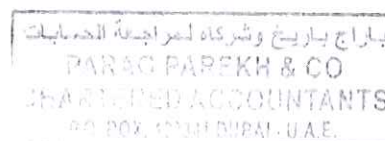
Year Ended March 31, 2017

All figures in UAE Dirhams

	YE	
	31.3.2016	
1 Significant Ratios		
Profit on trading sales	1,966,294	2,790,391
Margin on trading sales	4.86%	6.29%
Net Profit / (Loss) from manufacturing sales excluding other income	-4,357,005	-4,130,000
Net Margin on manufacturing sales & Increase in stock	-9.76%	-8.16%
Raw materials consumed to mfg. sales & Increase in stock	46.17%	55.58%
Mfg. overheads to mfg. sales & Increase in stocks	18.14%	17.12%
Personnel costs to mfg. sales & Increase in stocks	19.58%	12.74%
Selling costs to mfg. sales & Increase in stocks	4.42%	5.04%
Admin costs to mfg. sales & Increase in stocks	6.56%	7.98%
Finance costs to mfg. sales & Increase in stocks	10.23%	6.04%
Depreciation to mfg. sales & Increase in stocks	4.66%	3.67%
Profit / (Loss) from operations on total income (%)	-2.81%	-1.41%
Net Profit on sales (%)	0.24%	1.10%
Return on Average Investment (%)	0.07%	0.33%
Fixed assets turnover (times)	1.36	1.45
Current Ratio (Times)	1.79	1.67
Debt/ Equity Ratio (Times)	0.27	0.31
Inventory Turnover (Times)	1.99	1.84
Inventory Turnover (days)	184	198
Debtors turnover (days)	85	105
Creditors for raw materials turnover (days)	22	11

2 Bank credit facilities in US Dollars

<i>Type</i>	<i>Limits</i>	<i>Utilization</i>
Letters of Credit / Bank Guarantee	\$2,000,000	\$1,911,195
Overdraft / Trust Receipts / Local cheques discounted / Foreign Bills discounted.	\$20,000,000	\$16,834,052
	\$22,000,000	\$18,745,247



Bankers (having credit facilities)

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

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

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

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

3 Business Risks And Coverage in AED

Insurance :

	Policy Value	Book Value
Building I, Furniture etc. on Plot MO 313	8,500,000	6,754,014
Building II, Furniture etc. on Plot S2 1004	6,500,000	7,739,293
Plant and Machinery I on Plot MO 313	15,000,000	8,095,144
Plant and Machinery II on Plot S2 1004	5,000,000	6,552,315

	Policy Value	Annual Wages
Workmen's Compensation	3,500,000	3,205,111

4 Accounting Software

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



Signature

