Walker Chandiok & Co LLP

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

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of **Everest Kanto Cylinder Limited** ('the Company') for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter with net loss reported under previous GAAP, as included in the Statement, have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. As stated in note 6 (a) to the financial results, the Company's current financial assets, as at 30 June 2017, include an investment amounting to Rs. 3,425 Lakh (as at 30 June 2016: Rs. 3,425 Lakh) in its wholly owned Subsidiary in China, EKC Industries (Tianjin) Co. Ltd., whose financial results as at 30 June 2017 indicate significant accumulated losses and net worth being fully eroded, however, as at 30 June 2017, a provision of only Rs. 2,500 Lakh (as at 31 March 2017: Rs. 2,000 Lakh and as at 30 June 2016: 500 Lakh) has been recognized in the books for diminution in value of investments, on an adhoc basis. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of this investment and the consequential impact, if any, on the accompanying financial results. Our audit opinion for the year ended 31 March 2017 was also qualified in respect of this matter.

4. As detailed in note 8 to the financial results, the Company's current financial assets include inter-corporate deposit aggregating Rs. 1,724 Lakh (as at 30 June 2016: Rs. 1,724 Lakh). In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our audit opinion for the year ended 31 March 2017 was also qualified in respect of this matter.

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5. Based on our review conducted as above, except for the possible effects of the matters described in paragraphs 3 and 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015, dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

6. We draw attention to Note 9 to the financial results, regarding the delays in receipt of receivables and payment against the supply of goods, amounting to Rs. 53 Lakh and Rs. 6,895 Lakh, respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from/to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial results do not include any adjustments that may arise due to such delay/default. Our report is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Place: Mumbai
Date: 8 September 2017

EVEREST KANTO CYLINDER LIMITED

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021
CIN: L29200MH1978PLC020434; Email: investors@ekc.in;
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Unaudited Financial Results (Standalone) For The Quarter Ended 30th June, 2017

(₹ in Lakhs)

	Particulars	**3 months ended**	**Corresponding 3 months ended in the Previous Year**
		30/06/2017	**30/06/2016**
		(Unaudited)	(Unaudited)
I	**Revenue from operations (Gross)**	**6,676**	**6,357**
II	**Other income** (Refer Note no.7)	63	131
III	**Total Income (I + II)**	**6,739**	**6,488**
IV	**Expenses**		
	(a) Cost of materials consumed	2,967	3,281
	(b) Purchases of stock-in-trade	995	33
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(465)	(206)
	(d) Excise duty expense	344	523
	(e) Employee benefits expense	427	332
	(f) Finance costs	757	1,014
	(g) Depreciation and amortization expense	314	406
	(h) Other Expenses		
	Power and Fuel	504	403
	Others	1,242	842
	Total expenses	**7,085**	**6,628**
V	**Profit / (Loss) from ordinary activities before foreign exchange variation gain/ (loss), exceptional items and tax (III - IV)**	**(346)**	**(140)**
VI	Foreign Exchange Variation Gain/ (Loss)	(40)	(105)
VII	**Profit / (Loss) from ordinary activities before exceptional items and tax (V + VI)**	**(386)**	**(245)**
VIII	Exceptional Items Gain/ (Loss) (net) (Refer Note no.6)	(468)	(779)
IX	**Profit / (Loss) before tax (VII + VIII)**	**(854)**	**(1,024)**
X	Tax expense / (Credit)	-	-
XI	**Net Profit / (Loss) for the period (IX ± X)**	**(854)**	**(1,024)**
XII	**Other Comprehensive Income (OCI)**		
i	**Items not to be reclassified subsequently to profit and loss**		
	Gain on fair value of equity instrument	-	2
ii	**Income tax on items not to be reclassified subsequently to profit or loss**	-	-
	Total Other Comprehensive Income for the period (i+ii)	-	2
XIII	**Total Comprehensive Income for the period (XI+XII)**	**(854)**	**(1,022)**
XIV	**Earnings per share (not annualised) (in ₹):**		
	(a) Basic	(0.76)	(0.91)
	(b) Diluted	(0.76)	(0.91)

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NOTES :

1. The above results were reviewed by the Audit Committee at its meeting held on 8 September, 2017 and have been approved by the Board of Directors of the Company at their meeting held on that date.

2. Tax Expense includes Current Tax, Deferred Tax (Including Deferred Credits, if any) and tax adjustments relating to earlier years.

3. The Company has adopted the Indian Accounting Standards (Ind AS) from 1 April 2017 and accordingly the above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is 1 April 2016. The impact of transition has been accounted in the retained earnings and accordingly, the comparative period results for the quarter ended 30 June, 2016 have been restated.

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

4. In view of the various clarifications being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, It may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS financial statements as at and for the year ending 31 March 2018 due to treatments/methods suggested by ITFG on applicability of Ind AS.

5. Reconciliation of Net Profit reported under previous GAAP and the Total Comprehensive Income as per Ind AS for the quarter ended 30 June 2016 is as per the table below:

		Rs in Lakhs
	Net Profit/(loss) after tax as per Indian GAAP	(1,000)
	GAAP Adjustments:	
a	Financial liabilities accounted at amortised cost	(10)
b	Provision for expected credit loss	(4)
c	Fair valuation of financial guarantee	3
d	Provision for sales return	(13)
	Net Profit/(loss) after tax as per Ind AS	(1,024)
e	Gain on fair value of equity instrument	2
	Total Comprehensive Income after tax	(1,022)

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6 a. As regard the Investment by way of share capital of Rs 3,425.07 Lakhs in EKC Industries (Tianjin) Company Limited (the 'subsidiary'), a wholly owned subsidiary based in China, the Company is of the considered view, based on the assessment of the relevant factors, such as, the strategic nature of the investment, future business prospects in the markets in which the subsidiary operates, expected appreciation in the fair value of the assets of the subsidiary, etc., that no provision for impairment in the value of the Investment is required. However, on a conservative basis, considering erosion in net-worth of the subsidiary, an aggregate amount of Rs 2,500 Lakhs as at 30 June 2017 (including Rs 2,000 Lakhs upto 31 March 2017) has been provided towards such impairment and has been disclosed as an 'Exceptional Item' in the financial results. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 June 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.

b. 'Exceptional Item' includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of Rs 32 Lakhs (write down of Rs 235 Lakhs for the quarter ended 30 June 2016).

7 Interest income of Rs 133 Lakhs which was accruing for the quarter ended 30 June 2017 (Rs 134 Lakhs for the quarter ended 30 June 2016) in respect of the Inter Corporate Deposit and Loans given to the subsidiaries has been deferred by the Company, due to uncertainties with respect to ultimate collection of the outstanding amounts.

8 Current financial assets include an amount of Rs 1,724 Lakhs (Rs 1,724 Lakhs as at 31 March 2017) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruti City Limited), the Company is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no impairment for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 June 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.

9 The outstanding balances as at 30 June 2017 include trade payables aggregating Rs 6,895 Lakhs and trade receivables aggregating Rs 53 Lakhs to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.

10 Previous periods' figures have been regrouped / recast, wherever necessary.

By Order of the Board
For Everest Kanto Cylinder Limited

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

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Place : Mumbai
Date: 8th September, 2017

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

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of **Everest Kanto Cylinder Limited** ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and a joint venture (Refer Annexure 1 for the list of subsidiaries and joint venture included in the Statement) for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net loss under Indian Accounting Standards (Ind AS) of the corresponding quarter with net loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. As detailed in note 5 to the financial results, the Company's current financial assets include inter-corporate deposit aggregating Rs. 1,724 Lakh (as at 30 June 2016: Rs. 1,724 Lakh). In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our audit opinion for the year ended 31 March 2017 was also qualified in respect of this matter.

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4. Based on our review conducted as above and upon consideration of the review reports of the other auditors, except for the possible effects of the matter described in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to note 9 to the financial results, regarding the delays in receipt of receivables and payment against the supply of goods by Company, amounting to Rs. 53 Lakh and Rs. 6,895 Lakh respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from/to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial results do not include any adjustments that may arise due to such delay/default. Our review report is not modified in respect of this matter.

6. We did not review the financial results of eight subsidiaries included in the Statement whose financial results reflect total revenues of Rs. 7,655 Lakh for the quarter ended 30 June 2017 and net loss (including other comprehensive income) of Rs. 1041 Lakh for the quarter ended 30 June 2017. These financial results have been reviewed by other auditors, whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

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

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

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Place: Mumbai
Date: 8 September 2017

Annexure 1

List of entities included in the Statement

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

EVEREST KANTO CYLINDER LIMITED
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CIN: L29200MH1978PLC020434; Email: investors@ekc.in;
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Unaudited Financial Results (Consolidated) For The Quarter Ended 30th June, 2017

(₹ in Lakhs)

	Particulars	3 months ended	Corresponding 3 months ended in the Previous Year
		30/06/2017	30/06/2016
		(Unaudited)	(Unaudited)
I	**Revenue from operations (Gross)**	**12,498**	**14,634**
II	Other income (Refer Note no. 6)	49	23
III	**Total Income (I + II)**	**12,547**	**14,657**
IV	**Expenses**		
	(a) Cost of materials consumed	4,014	4,892
	(b) Purchases of stock-in-trade	1,210	2,161
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	749	42
	(d) Excise duty expense	344	523
	(e) Employee benefits expense	1,936	2,323
	(f) Finance costs	967	1,228
	(g) Depreciation and amortization expense	1,312	1,110
	(h) Other Expenses		
	Power and Fuel	819	755
	Others	2,944	2,894
	Total expenses	**14,295**	**15,928**
V	**Profit / (Loss) from ordinary activities before provision for doubtful debts, foreign exchange variation gain/(loss), exceptional items, share of profit/ (loss) of joint venture (JV) and tax (III - IV)**	**(1,748)**	**(1,271)**
VI	Provision Written Back/ (Provision for doubtful debts)	111	82
VII	Foreign Exchange Variation Gain/ (Loss)	74	(153)
VIII	**Profit / (Loss) from ordinary activities before exceptional items, share of profit/ (loss) from JV and tax(V + VI + VII)**	**(1,563)**	**(1,342)**
IX	Share of profit/ (loss) of joint venture	(2)	-
X	**Profit/(Loss) from ordinary Activities before Exceptional Items and Tax (VIII+IX)**	**(1,565)**	**(1,342)**
XI	Exceptional Items Gain/ (Loss) (net) (Refer Note no.7)	32	(235)
XII	**Profit / (Loss) before tax (X + XI)**	**(1,533)**	**(1,577)**
XIII	Tax expense / (Credit)	-	-
XIV	**Net Profit / (Loss) for the period (XII + XIII)**	**(1,533)**	**(1,577)**
XV	**Other Comprehensive Income (OCI)**		
i	**Items not be reclassified subsequently to profit and loss**		
	Gain on fair value of equity instrument	-	2
	Income tax effect on above	-	-
ii	**Items to be reclassified subsequently to profit and loss**		
	Exchange differences on translation of foreign operations	1,244	359
	Income tax effect on above	-	-
	Total Other Comprehensive Income for the period (i + ii)	**1,244**	**361**
	Total Comprehensive Income for the period (XIV+XV)	**(289)**	**(1,216)**
XVI	**Net Profit for the period is attributable to:**		
	Equity shareholder of the Company	**(1,530)**	**(1,568)**
	Non-controlling interest	**(3)**	**(9)**
	Total comprehensive income for the period is attributable to:		
	Equity shareholder of the Company	**(286)**	**(1,207)**
	Non-controlling interest	**(3)**	**(9)**
XVII	**Earnings per share (not annualised) (in ₹):**		
	(a) Basic	(1.36)	(1.40)
	(b) Diluted	(1.36)	(1.40)

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EVEREST KANTO CYLINDER LTD. MUMBAI

EVEREST KANTO CYLINDER LIMITED

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Unaudited Financial Results (Consolidated) For The Quarter Ended 30th June, 2017

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in Lakhs)

PARTICULARS	3 months ended	Corresponding 3 months ended in the Previous Year
	30/06/2017	30/06/2016
	(Unaudited)	(Unaudited)
1. Segment Revenue		
a) India	6,934	6,484
b) U.A.E (Dubai)	2,423	4,334
c) China	1,156	1,215
d) USA & Hungary	3,536	4,157
e) Others	237	627
Total	**14,286**	**16,817**
Less: Inter Segment Revenue	1,788	2,183
Revenue from operations (Gross)	**12,498**	**14,634**
2. Segment Result (before Tax)		
Segment Result (before (Loss)/Gain on Foreign Exchange variation, Finance Costs & Tax):		
a) India	437	651
b) U.A.E (Dubai)	55	1
c) China	(328)	(531)
d) USA & Hungary	(808)	(325)
e) Others	(37)	(13)
Total	**(681)**	**(217)**
Unallocable Income / (Expenses)	41	21
Add/Less : (Loss)/Gain on Foreign Exchange variation (Net)	74	(153)
Less : Finance Costs	967	1,228
Net Profit / (Loss) before Tax	**(1,533)**	**(1,577)**
3. Segment Assets		
a) India	40,151	47,247
b) U.A.E (Dubai)	14,688	18,045
c) China	11,380	12,215
d) USA & Hungary	21,660	22,566
e) Others	427	947
Total	**88,306**	**101,020**
Add: Unallocated	6,213	5,250
Total Segment Assets	**94,519**	**106,270**
4. Segment Liabilities		
a) India	5,434	3,666
b) U.A.E (Dubai)	2,389	2,593
c) China	1,483	1,405
d) USA & Hungary	5,057	6,237
e) Others	19	32
Total	**14,382**	**13,933**
Add: Unallocated	38,239	58,758
Total Segment Liabilities	**52,621**	**72,691**

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NOTES

1 The above results were reviewed by the Audit Committee at its meeting held on 8 September, 2017 and have been approved by the Board of Directors of the Company at their meeting held on that date.

2 The group has adopted the Indian Accounting Standards (Ind AS) from 1 April 2017 and accordingly the above financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is 1 April 2016. The impact of transition has been accounted in the retained earnings and accordingly, the comparative period results for the quarter ended 30 June, 2016 have been restated.

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

3 In view of the various clarifications being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, It may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS consolidated financial statements as at and for the year ending 31 March 2018 due to treatments/methods suggested by ITFG on applicability of Ind AS.

4 Reconciliation of Net Profit reported under previous GAAP and the Total Comprehensive Income as per Ind AS for the quarter ended 30 June 2016 is as per the table below:

	(₹ in Lakhs)
Net Profit/(loss) after tax as per Indian GAAP	(1,548)
GAAP Adjustments:	
Financial liabilities accounted at amortised cost	(11)
Provision for expected credit loss	(5)
Provision for sales return	(13)
Net Profit/(loss) after tax as per Ind AS	(1,577)
Exchange differences on translation of foreign operations	359
Gain on fair value of equity instrument	2
Total Comprehensive Income after tax	(1,216)

5 Current financial assets include an amount of Rs 1,724 Lakhs (Rs 1,724 Lakhs as at 31 March 2017) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruti City Limited), the group is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present. The Limited Review Report of the Statutory Auditors on the financial results for the quarter ended 30 June 2017 is qualified in respect of this matter. The Audit Report of the Statutory Auditors on the financial statements for the year ended 31 March 2017 was also qualified in respect of this matter.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

EVEREST KANTO CYLINDER LTD. MUMBAI

6 Interest income of Rs 76 Lakhs which was accruing for the quarter ended 30 June 2017 (Rs 76 Lakhs for the quarter ended 30 June 2016) in respect of the Inter Corporate Deposit has been deferred by the group, due to uncertainties with respect to ultimate collection of the outstanding amounts.

7 'Exceptional Item' includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of Rs 32 Lakhs (Write down of Rs 235 Lakhs for the quarter ended 30 June 2016).

8 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the "Company"), its four wholly owned subsidiaries, EKC Industries (Tianjin) Co. Ltd., EKC International FZE, EKC Industries (Thailand) Co.Ltd., Next Gen Cylinder Private Limited, its three wholly owned step down subsidiaries, EKC Hungary Kft, CP Industries Holdings, Inc. and EKC Europe GmbH and also Calcutta Compressions & Liquefaction Engineering Limited and EKC Positron Gas Limited, subsidiaries in which it has majority stake and of joint venture, Kamal EKC International Ltd. The financial results of all the entities have been duly audited by the respective auditors of these entities, except for EKC Europe GmbH and Kamal EKC International Ltd. whose operations are not significant.

9 The outstanding balances of the Company, as at 30 June 2017, include trade payables aggregating Rs 6,895 Lakhs and trade receivables aggregating Rs 53 Lakhs to/from companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The group is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.

10 Tax Expense includes Current Tax, Deferred Tax (Including Deferred Credits, if any) and tax adjustments relating to earlier years.

11 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment. Hence, the Company has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Company, its subsidiaries, step down subsidiaries and joint venture.

12 Previous periods' figures have been regrouped / recast, wherever necessary.

By Order of the Board
For Everest Kanto Cylinder Limited

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

EVEREST KANTO CYLINDER LTD. MUMBAI

Place : Mumbai
Date: 8th September, 2017

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS