

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

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results (the 'Statement') of **Everest Kanto Cylinder Limited** (the 'Company') for the quarter ended 30 June 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as the 'SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

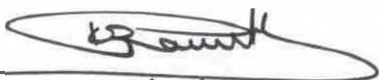


5. We draw attention to Note 5 to the accompanying Statement regarding delays in payment of foreign currency payable against the supply of goods, receipt in foreign currency receivables and interest receivable on foreign currency loans aggregating to ₹ 8,967 lakhs, ₹ 17 lakhs and ₹ 2,297 lakhs respectively, that are outstanding for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/ RB-2004 respectively, under the Foreign Exchange Management Act, 1999. Management of the Company has represented that the Company is in the process of regularising these defaults by filing necessary application with the appropriate authority for condonation of such delays. Management is of the view that the possible penalties etc. which may be levied for these contraventions is not expected to be material to the accompanying Statement but cannot be measured with sufficient reliability and accordingly, the accompanying Statement does not include any adjustments that may arise due to such default. Our report is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Khushroo B. Panthaky

Partner

Membership No. 042423

UDIN No:19042423AAAAEK4127

Place: Mumbai

Date: 22 August 2019

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30 JUNE 2019**

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Unaudited) (Refer note 3)	(Unaudited)	(Audited)
I	Revenue from operations	10,475	12,597	10,187	45,249
II	Other income	116	92	297	649
III	Total Income (I + II)	10,591	12,689	10,484	45,898
IV	Expenses				
	(a) Cost of materials consumed	5,330	6,850	5,514	24,548
	(b) Purchases of stock-in-trade	559	164	239	1,237
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	476	(25)	131	633
	(d) Employee benefits	583	656	502	2,257
	(e) Finance costs	621	670	693	2,614
	(f) Depreciation and amortisation	440	384	305	1,312
	(g) Other expenses				
	- Power and fuel	584	641	558	2,577
	- Others	1,483	2,136	1,428	6,681
	Total Expenses	10,076	11,476	9,370	41,859
V	Profit / (Loss) before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	515	1,213	1,114	4,039
VI	Foreign exchange variation gain / (loss)	94	699	(423)	520
VII	Profit / (Loss) before exceptional items and tax (V + VI)	609	1,912	691	4,559
VIII	Exceptional items gain / (loss) (net) (Refer note 4)	-	33	-	(505)
IX	Profit before tax (VII + VIII)	609	1,945	691	4,054
X	Tax (expense) / credit				
	Current tax	(8)	(708)	(155)	(1,008)
	Deferred tax (Refer note 6)	(207)	5,707	-	5,707
XI	Profit after tax (IX + X)	394	6,944	536	8,753
XII	Other comprehensive income / (loss)				
	Items that will not be reclassified to profit and loss (net of tax)	-	(230)	19	(181)
	Total other comprehensive income / (loss)	-	(230)	19	(181)
XIII	Total comprehensive income (XI+XII)	394	6,714	555	8,572
XIV	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	2,244	2,244
XV	Other equity excluding revaluation reserve				22,958
XVI	Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)	0.35	6.19	0.48	7.80



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- 3 The figures for the quarter ended 31 March 2019 represents the balance between audited figures in respect of the full financial year ended 31 March 2019 and the unaudited published year-to-date figures upto 31 December 2018 which were subjected to limited review.
- 4 Exceptional items gain / (loss) (net) represent:
- (a) 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 ₹ 98 lakhs for the year ended 31 March 2019 (₹ Nil for the quarter ended 31 March 2019).
- (b) During the year ended 31 March 2019, the Company along with its UAE subsidiary (the 'sellers') had entered into an agreement to sell its entire stake in China subsidiary to a company in China (the 'buyer'), for an aggregate consideration of RMB 93.50 Million (approx. ₹ 9,656 lakhs). The sale process had commenced wherein the sellers were in the advanced stage of consummation of the agreement and had already received a substantial amount of sales consideration in the Escrow Account. Accordingly, during the year ended 31 March 2019, the Company had recorded a gain under 'Exceptional items' of ₹ 3,000 lakhs, constituting the reversal of provision made in the earlier accounting periods towards impairment of investment in the China subsidiary. Further, during the quarter and year ended 31 March 2019, the Company has reversed the impairment provision against investment aggregating ₹ 1,339 lakhs recorded in earlier periods.
- (c) Exceptional item for the year ended 31 March 2019, include provision towards doubtful recovery of interest receivable from EKC Industries (Tianjin) Co Ltd amounting to ₹ 2,297 lakhs (₹ Nil for the quarter ended 31 March 2019).
- (d) The assets of the Company include certain property, plant and equipment which had remained idle for a considerable period due to contraction in demand. Accordingly, management had performed impairment test on these assets and had recorded an impairment provision of ₹ 1,306 lakhs during the quarter and year ended 31 March 2019.
- 5 The outstanding balances as at 30 June 2019 include trade payables aggregating ₹ 8,967 lakhs, trade receivables aggregating ₹ 17 lakhs and interest receivable aggregating ₹ 2,297 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, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/ RB-2004 respectively, under the Foreign Exchange Management Act, 1999. In response to our application, the Company has received "No objection" (NoC) from Reserve Bank of India vide its letter dated 21 June 2019 for the write-off of aforesaid interest receivable subject to certain terms and conditions. The Company is in the process of complying with these conditions and regularising other defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the accompanying standalone financial results, and accordingly, the accompanying standalone financial results do not include any adjustments that may arise due to such delay/default.
- 6 Considering the improvements in Company's performance and management's expectation of sustainable profits in future periods, the Company had recognised deferred tax assets on brought forward business losses and unabsorbed depreciation. It had also accrued Minimum Alternate Tax (MAT) credit available as per Income-tax Act, 1961. Accordingly, the statement of profit and loss for the year ended 31 March 2019 included deferred tax credit of ₹ 5,707 lakhs recognized on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 7 Recognition of interest income of ₹ 17 lakhs for the quarter ended 30 June 2019 (₹ 42 lakhs for the quarter ended 30 June 2018 and ₹ 70 lakhs for the year ended 31 March 2019) in respect of loans given to subsidiaries have been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts.
- 8 The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 591 lakhs and accordingly recognised right-of-use assets at ₹ 399 lakhs by adjusting retained earnings by ₹ 125 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current period, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable.

The impact of adopting Ind AS 116 on the standalone financial results for the quarter ended 30 June 2019 is as follows:

(₹ in lakhs)

	Quarter ended 30.06.2019 (Erstwhile basis)	Quarter ended 30.06.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	2,121	2,067	54
Finance costs	604	621	(17)
Depreciation and amortisation	408	440	(32)
Profit before tax	604	609	5

Place : Mumbai
Date : 22 August 2019



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For and on behalf of the Board of Directors

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



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

To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (the 'Statement') of **Everest Kanto Cylinder Limited** (the 'Holding Company') and its subsidiaries (the Holding 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 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as the 'SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Everest Kanto Cylinder Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results – 30 June 2019

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 to the accompanying Statement regarding delays in payment of foreign currency payable against the supply of goods, receipt in foreign currency receivables and interest receivable on foreign currency loans aggregating to ₹ 8,967 lakhs, ₹ 17 lakhs and ₹ 2,297 lakhs respectively, that are outstanding for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/ RB-2004 respectively, under the Foreign Exchange Management Act, 1999. Management of the Holding Company has represented that the Holding Company is in the process of regularising these defaults by filing necessary application with the appropriate authority for condonation of such delays. Management is of the view that the possible penalties etc. which may be levied for these contraventions is not expected to be material to the accompanying Statement but cannot be measured with sufficient reliability and accordingly, the accompanying Statement does not include any adjustments that may arise due to such default. Our report is not modified in respect of this matter.
6. We did not review the interim financial results of seven subsidiaries included in the Statement, whose interim financial results (before eliminating inter company transactions) reflect total revenues of ₹ 8,778 lakhs, net profit after tax of ₹ 2,849 lakhs and total comprehensive income of ₹ 2,778 lakhs for the quarter ended 30 June 2019, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries, four subsidiaries, are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the interim financial results of such subsidiaries 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 Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of these matters.



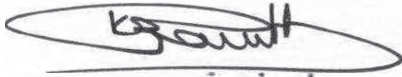
Everest Kanto Cylinder Limited**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results – 30 June 2019**

7. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed, whose interim financial results (before eliminating inter company transactions) reflect total revenues of ₹ 331 lakhs, net loss after tax of ₹ 103 lakhs and total comprehensive loss of ₹ 103 lakhs for the quarter ended 30 June 2019, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil for the quarter ended 30 June 2019, in respect of a joint venture, based on their interim financial results, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), read with SEBI Circular, in so far as it relates to the aforesaid subsidiaries and a joint venture, are based solely on such unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Khushroo B. Panthaky

Partner

Membership No. 042423

UDIN No:19042423AAAAEL6219

Place: Mumbai

Date: 22 August 2019

Everest Kanto Cylinder Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results – 30 June 2019

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



**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30 JUNE 2019**

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)			
		Quarter ended		Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Unaudited) (Refer note 3)	(Unaudited)	(Audited)
	Continuing operations				
I	Revenue from operations	19,152	18,732	15,605	70,209
II	Other income	104	98	244	533
III	Total Income (I + II)	19,256	18,830	15,849	70,742
IV	Expenses				
(a)	Cost of materials consumed	7,792	10,676	6,973	35,057
(b)	Purchases of stock-in-trade	852	211	1,292	2,308
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,714	(608)	(1,310)	(966)
(d)	Employee benefits	2,073	2,270	1,879	7,991
(e)	Finance costs	850	902	932	3,562
(f)	Depreciation and amortisation	966	829	713	3,029
(g)	Other expenses				
-	Power and fuel	938	1,035	838	3,971
-	Others	2,907	3,524	3,179	12,673
	Total Expenses	18,092	18,839	14,496	67,625
V	Profit / (Loss) before provision for doubtful debts, foreign exchange variation gain / (loss), share of profit / (loss) of joint venture, exceptional items and tax (III - IV)	1,164	(9)	1,353	3,117
VI	Provision written back / (Provision for doubtful debts)	-	(39)	59	(14)
VII	Foreign exchange variation gain / (loss)	103	635	(204)	733
VIII	Profit / (Loss) before exceptional items, share of profit / (loss) of joint venture and tax (V + VI + VII)	1,267	587	1,208	3,836
IX	Share of profit / (loss) of joint venture	-	-	(2)	(1)
X	Profit / (Loss) before exceptional items and tax (VIII + IX)	1,267	587	1,206	3,835
XI	Exceptional items gain / (loss) (net) (Refer note 4)	-	(1,306)	-	(1,208)
XII	Profit before tax from continuing operations (X + XI)	1,267	(719)	1,206	2,627
XIII	Tax (expense) / credit				
	Current tax	(19)	(720)	(155)	(1,022)
	Deferred tax (Refer note 8)	(192)	5,707	-	5,707
XIV	Profit after tax from continuing operations (XII + XIII)	1,056	4,268	1,051	7,312
	Discontinued Operations (Refer note 10)				
XV	Profit / (Loss) from discontinued operations before tax	(331)	86	(110)	(1,470)
XVI	Tax expense of discontinued operations	-	-	-	-
XVII	Profit / (Loss) from discontinued operations after tax (XV+XVI) (Refer note 10)	(331)	86	(110)	(1,470)
XVIII	Profit / (Loss) after tax from total operations (XIV+XVII)	725	4,354	941	5,842
XIX	Other comprehensive income / (loss)				
(i)	Items that will not be reclassified to profit and loss (net of tax)	(71)	(210)	145	(161)
(ii)	Items that will be reclassified to profit and loss (net of tax)	365	(881)	1,367	1,693
	Total other comprehensive income / (loss) (net of tax) (Refer note 9)	294	(1,091)	1,512	1,532
XX	Total Comprehensive Income (XVIII+XIX)	1,019	3,263	2,453	7,374
XXI	Net Profit for the period attributable to :				
	Equity shareholders of the Company	735	4,359	939	5,869
	Non controlling interests	(10)	(5)	2	(27)
	Total Comprehensive Income attributable to :				
	Equity shareholders of the Company	1,029	3,268	2,451	7,401
	Non controlling interests	(10)	(5)	2	(27)
XXII	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	2,244	2,244
XXIII	Other equity excluding revaluation reserve				49,527
XXIV	Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)				
	(i) Continuing operations	0.95	3.81	0.93	6.54
	(ii) Discontinuing operations	(0.30)	0.08	(0.10)	(1.31)
	(iii) Total operations	0.65	3.89	0.83	5.23

EVEREST KANTO CYLINDER LIMITED

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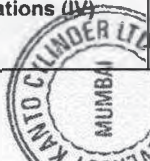
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**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30 JUNE 2019
SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

(₹ in Lakhs)

Particulars	Quarter ended			Year Ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	(Unaudited)	(Unaudited) (Refer Note 3)	(Unaudited)	(Audited)
1. Segment revenue				
<u>Continuing operations</u>				
a) India	10,761	13,279	10,357	46,200
b) U.A.E (Dubai)	3,845	3,286	3,818	14,914
c) U.S.A and Hungary	4,523	2,841	2,075	11,785
d) Others	331	788	410	2,586
Total	19,460	20,194	16,660	75,485
Inter segment revenue	308	1,462	1,055	5,276
Revenue from continuing operations	19,152	18,732	15,605	70,209
<u>Discontinued operations (Refer note 10)</u>				
China	-	-	53	54
Revenue from discontinued operations	-	-	53	54
2. Segment results				
<u>Continuing operations</u>				
Segment Result (before foreign exchange variation gain / (loss), finance costs and tax):				
a) India	1,093	522	1,717	5,035
b) U.A.E (Dubai)	317	88	624	1,414
c) U.S.A and Hungary	565	(1,179)	16	(1,262)
d) Others	(40)	31	(73)	(10)
Total	1,935	(538)	2,284	5,177
Unallocable income / (expenses) (net)	79	86	58	279
Foreign exchange variation gain / (loss)	103	635	(204)	733
Finance costs	850	902	932	3,562
Profit before tax from continuing operations	1,267	(719)	1,206	2,627
<u>Discontinued operations (Refer note 10)</u>				
China	(331)	86	(110)	(1,470)
Profit / (Loss) from discontinued operations before tax	(331)	86	(110)	(1,470)
3. Segment assets				
<u>Continuing operations</u>				
a) India	46,576	45,610	43,981	45,610
b) U.A.E (Dubai)	16,509	14,627	16,488	14,627
c) U.S.A and Hungary	23,364	22,841	23,840	22,841
d) Others	870	859	786	859
Total	87,319	83,937	85,095	83,937
Unallocated assets	9,849	9,909	4,807	9,909
Total segment assets - continuing operations (I)	97,168	93,846	89,902	93,846
<u>Discontinued operations (Refer note 10)</u>				
China	8,120	8,700	9,542	8,700
Total segment assets - discontinued operations (II)	8,120	8,700	9,542	8,700
Total segment assets (I+II)	105,288	102,546	99,444	102,546
4. Segment liabilities				
a) India	8,364	7,989	5,813	7,989
b) U.A.E (Dubai)	2,420	2,177	2,280	2,177
c) U.S.A and Hungary	5,966	6,295	6,034	6,295
d) Others	325	236	83	236
Total	17,075	16,697	14,210	16,697
Add: Unallocated	35,219	33,657	37,718	33,657
Total segment liabilities - continuing operations (III)	52,294	50,354	51,928	50,354
<u>Discontinued operations (Refer note 10)</u>				
China	360	412	628	412
Total segment liabilities - discontinued operations (IV)	360	412	628	412
Total segment liabilities (III+IV)	52,654	50,766	52,556	50,766



Notes :

- 1 The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 22 August 2019.
- 2 The above results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The figures for the quarter ended 31 March 2019 represents the balance between audited figures in respect of the full financial year ended 31 March 2019 and the unaudited published year-to-date figures upto 31 December 2018 which were subjected to limited review.
- 4 Exceptional items gain / (loss) (net) represent:
 - (a) 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 ₹ 98 lakhs for the year ended 31 March 2019 (₹ Nil for the quarter ended 31 March 2019).
 - (b) The assets of the Holding Company include certain property, plant and equipment which had remained idle for a considerable period due to contraction in demand. Accordingly, management had performed impairment test on these assets and had recorded an impairment provision of ₹ 1,306 lakhs during the quarter and year ended 31 March 2019.
- 5 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the 'Company'), its seven wholly owned subsidiaries and step-down subsidiaries, EKC Industries (Tianjin) Co. Ltd., EKC International FZE, EKC Industries (Thailand) Co.Ltd., EKC Hungary Kft, CP Industries Holdings, Inc. EKC Europe GmbH and Next Gen Cylinder Private Limited 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 Limited. The financial results of these entities have been duly reviewed by the respective auditors of these entities, except for EKC Europe GmbH, EKC Industries (Thailand) Co. Ltd and Kamal EKC International Limited whose operations are not significant.
- 6 The outstanding balances of the Holding Company as at 30 June 2019 include trade payables aggregating ₹ 8,967 lakhs, trade receivables aggregating ₹ 17 lakhs and interest receivable aggregating ₹ 2,297 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, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/ RB-2004 respectively, under the Foreign Exchange Management Act, 1999. In response to the application, the Holding Company has received "No objection" (NoC) from Reserve Bank of India vide its letter dated 21 June 2019 for the write-off of aforesaid interest receivable subject to certain terms and conditions. The Holding Company is in the process of complying with these conditions and regularising other defaults by filing necessary applications with the appropriate authority for condonation of delays. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the accompanying consolidated financial results, and accordingly, the accompanying consolidated financial results do not include any adjustments that may arise due to such delay/default.
- 7 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment, except for Calcutta Compressions & Liquefaction Engineering Limited, which is in the business of purchase and distribution of natural gas, the operations of which are not material as compared to the overall business of the Group. Hence, the Group 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.
- 8 Considering the improvements in Holding Company's performance and management's expectation of sustainable profits in future periods, the Holding Company has recognised deferred tax assets on brought forward business losses and unabsorbed depreciation. It has also accrued Minimum Alternate Tax (MAT) credit available as per Income-tax Act, 1961. Accordingly, the consolidated statement of profit and loss for the year ended 31 March 2019 includes deferred tax credit of ₹ 5,707 lakhs recognized on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 9 Profit / (Loss) from discontinued operations is completely attributable to equity shareholders of the Company. Further, Other comprehensive income do not include amounts pertaining to discontinued operations.
- 10 The Group had entered into an agreement to sell the EKC Industries (Tianjin) Co. Ltd. (China subsidiary) to a company in China, for an aggregate consideration of RMB 93.50 million (approx. ₹ 9,371 lakhs). Further, the Company has also obtained the shareholders approval in this respect.

Accordingly, the results, assets and liabilities of Group's China operations have been reported as discontinued operations. Being a discontinued operation, the China operations have not been considered as separate reportable segment.
- 11 During the year ended 31 March 2019, the Holding Company has decided to wind up the business operations of EKC Industries (Thailand) Co., Ltd. The winding up would be completed post completion of requisite regulatory formalities in India and Thailand.
- 12 The Group has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 2,179 lakhs and accordingly recognised right-of-use assets at ₹ 1,946 lakhs by adjusting retained earnings by ₹ 165 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current period, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable.

The impact of adopting Ind AS 116 on the consolidated financial results for the quarter ended 30 June 2019 is as follows:

	(₹ in lakhs)		
	Quarter ended 30.06.2019 (Erstwhile basis)	Quarter ended 30.06.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	3,958	3,845	113
Finance costs	816	850	(34)
Depreciation and amortisation	886	966	(80)
Profit before tax from continuing operations	1,268	1,267	(1)

Place : Mumbai
Date : 22 August 2019



For and on behalf of the Board of Directors

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

