

Walker Chandlok & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 31 December 2019 and the year to date results for the period 01 April 2019 to 31 December 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'), and as per the presentation requirements of 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.



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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Everest Kanto Cylinder Limited

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

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, and as per the presentation requirements of 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 4 to the accompanying Statement regarding delays in payment of foreign currency trade payables against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans aggregating to ₹ 8,563 lakhs, ₹ 40 lakhs and ₹ 2,297 lakhs respectively, that are outstanding as at 31 December 2019 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. The management of the Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying Statement. Accordingly, the accompanying Statement does not include any consequential adjustments with respect to such delays/defaults. 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:20042423AAAABG7738

Place: Mumbai

Date: 12 February 2020

A. STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2019

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)					
		Quarter ended			Nine months ended		Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from operations	12,123	11,764	11,565	34,362	32,652	45,249
II	Other income (Refer note 6)	83	8	67	207	557	649
III	Total Income (I + II)	12,206	11,772	11,632	34,569	33,209	45,898
IV	Expenses						
(a)	Cost of materials consumed	7,564	5,987	5,651	18,881	17,698	24,548
(b)	Purchases of stock-in-trade	205	7	122	771	1,073	1,237
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(813)	901	1,513	564	658	633
(d)	Employee benefits expense	608	626	587	1,817	1,601	2,257
(e)	Finance costs	720	614	636	1,955	1,944	2,614
(f)	Depreciation and amortisation	543	629	315	1,612	928	1,312
(g)	Other expenses						
-	Power and fuel	696	564	749	1,844	1,936	2,577
-	Others	1,776	1,623	1,403	4,882	4,545	6,681
	Total Expenses	11,299	10,951	10,976	32,326	30,383	41,859
V	Profit before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	907	821	656	2,243	2,826	4,039
VI	Foreign exchange variation gain / (loss)	2	(160)	796	(64)	(179)	520
VII	Profit before exceptional items and tax (V + VI)	909	661	1,452	2,179	2,647	4,559
VIII	Exceptional items gain / (loss) (net) (Refer note 3)	-	-	801	-	(538)	(505)
IX	Profit before tax (VII + VIII)	909	661	2,253	2,179	2,109	4,054
X	Tax (expense) / credit (Refer note 7)						
	Current tax	(73)	(31)	(300)	(112)	(300)	(1,008)
	Deferred tax (Refer note 5)	(305)	(176)	(32)	(688)	-	5,707
XI	Profit after tax (IX + X)	531	454	1,921	1,379	1,809	8,753
XII	Other comprehensive income / (loss)						
	Items that will not be reclassified to profit and loss (net of tax)	-	-	15	-	49	(181)
	Total other comprehensive income / (loss)	-	-	15	-	49	(181)
XIII	Total comprehensive income (XI+XII)	531	454	1,936	1,379	1,858	8,572
XIV	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	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 ₹)	0.47	0.40	1.71	1.23	1.61	7.80

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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 12 February 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended, prescribed under Section 133 of the Companies Act, 2013
- 3 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 quarter ended 31 December 2018, nine months ended 31 December 2018 and year ended 31 March 2019.
 - (b) During the year ended 31 March 2019, the Company along with UAE subsidiary (collectively referred to as 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. ₹ 9,553 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 quarter ended 31 December 2018 and 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.
 - (c) Exceptional item for the quarter ended 31 December 2018, nine months ended 31 December 2018 and year ended 31 March 2019, include provision towards doubtful recovery of interest receivable from EKC Industries (Tianjin) Co., Ltd. amounting to ₹ 2,297 lakhs.
 - (d) The assets of the Company included 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 year ended 31 March 2019.
- 4 The outstanding balances as at 31 December 2019 include trade payables aggregating ₹ 8,563 lakhs, trade receivables aggregating ₹ 40 lakhs (balance net of provision - ₹ 22 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (balance net of provision - ₹ Nil) 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 has requested for an extension in the timeline till 31 March 2020 for complying with these terms and conditions. The Company is in the process of 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.
- 5 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 recognised on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 6 Recognition of interest income of ₹ 18 lakhs and ₹ 53 lakhs for the quarter ended 31 December 2019 and nine months ended 31 December 2019, respectively (₹ 88 lakhs for the nine months ended 31 December 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 involved with respect to ultimate collection of outstanding amounts.
- 7 The Company is in the process of evaluating the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
- 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 and nine months ended 31 December 2019 is as follows:

	Quarter ended 31.12.2019 (Erstwhile basis)	Quarter ended 31.12.2019 (Post adoption of Ind AS 116)	(₹ In lakhs) Increase/ (Decrease) In Profit
Other expenses	2,526	2,472	54
Finance costs	705	720	(15)
Depreciation and amortisation	511	543	(32)
Profit before tax	902	909	7

	Nine months ended 31.12.2019 (Erstwhile basis)	Nine months ended 31.12.2019 (Post adoption of Ind AS 116)	(₹ In lakhs) Increase/ (Decrease) In Profit
Other expenses	6,888	6,726	162
Finance costs	1,907	1,955	(48)
Depreciation and amortisation	1,515	1,612	(97)
Profit before tax	2,162	2,179	17

- 9 Previous periods figures have been regrouped / recasted wherever necessary.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 12 February 2020



AB

Pushkar Khurana
Chairman
DIN:- 00040489



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To the Board of Directors of Everest Kanto Cylinder Limited

1. We have reviewed the accompanying statement of consolidated unaudited 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 31 December 2019 and the consolidated year to date results for the period 01 April 2019 to 31 December 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'), and as per the presentation requirements of 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.



Everest Kanto Cylinder Limited

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

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.

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, and as per the presentation requirements of 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 Holding Company's delay in payment of foreign currency trade payables against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans before eliminating inter company balances aggregating to ₹ 8,563 lakhs, ₹ 40 lakhs and ₹ 2,297 lakhs respectively, that are outstanding as at 31 December 2019 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. The management of the Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying Statement. Accordingly, the accompanying Statement does not include any consequential adjustments with respect to such delays/defaults. Our conclusion 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 ₹ 6,822 lakhs and ₹ 22,510 lakhs, total net profit / (loss) after tax of ₹ (919) lakhs and ₹ 1,143 lakhs, total comprehensive income / (loss) of ₹ (754) lakhs and ₹ 1001 lakhs, for the quarter and nine months period ended 31 December 2019, respectively, 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 adjustment 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

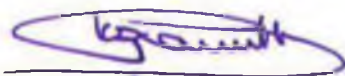
Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

7. The Statement includes the interim financial information of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information (before eliminating inter company transactions) reflect total revenues of ₹ 433 lakhs and ₹ 1,511 lakhs, net loss after tax of ₹ 80 lakhs and ₹ 179 lakhs, total comprehensive loss of ₹ 80 lakhs and ₹ 179 lakhs for the quarter and nine months period ended 31 December 2019, respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil and ₹ Nil, and total comprehensive income of ₹ Nil and ₹ Nil for the quarter and nine months period ended 31 December 2019, respectively, in respect of a joint venture, based on their interim financial information, 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 information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group. Our conclusion is not modified in respect of this matter.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Khushroo B. Panthaky

Partner

Membership No. 042423

UDIN No:20042423AAAABH5115

Place: Mumbai

Date: 12 February 2020

Everest Kanto Cylinder Limited

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

Annexure 1

List of entities included in the Statement

Subsidiary companies

- 1.EKC Industries (Tianjin) Co., Ltd
- 2.EKC International FZE
- 3.EKC Industries (Thailand) Co., Ltd
- 4.Calcutta Compressions and Liquefaction Engineering Limited
- 5.EKC Hungary Kft.
- 6.CP Industries Holdings, Inc.
- 7.EKC Europe GmbH
- 8.EKC Positron Gas Ltd
- 9.Next Gen Cylinder Private Limited

Joint Venture

- 1.Kamal EKC International Limited



A. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2019

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)					
		Quarter ended			Nine months ended		Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
	Continuing operations						
I	Revenue from operations	19,120	17,914	18,599	56,186	51,477	70,209
II	Other income	288	230	140	622	707	533
III	Total Income (I + II)	19,408	18,144	18,739	56,808	52,184	70,742
IV	Expenses						
(a)	Cost of materials consumed	10,326	8,232	8,410	26,350	24,381	35,057
(b)	Purchases of stock-in-trade	234	26	120	1,077	2,097	2,308
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(402)	1,936	2,132	3,248	(358)	(966)
(d)	Employee benefits expense	2,094	2,084	2,164	6,251	5,993	7,991
(e)	Finance costs	1,024	835	877	2,709	2,660	3,562
(f)	Depreciation and amortisation	1,048	1,130	751	3,144	2,200	3,029
(g)	Other expenses						
- Power and fuel		1,045	937	1,185	2,920	2,936	3,971
- Others		3,025	3,162	2,867	9,129	9,149	12,673
	Total Expenses	18,394	18,342	18,506	54,828	49,058	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)	1,014	(198)	233	1,980	3,126	3,117
VI	Provision written back / (Provision for doubtful debts)	(9)	88	35	79	25	(14)
VII	Foreign exchange variation gain / (loss)	(470)	128	1,074	(239)	98	733
VIII	Profit / (Loss) before exceptional items, share of profit / (loss) of joint venture and tax (V + VI + VII)	535	18	1,342	1,820	3,249	3,836
IX	Share of profit / (loss) of joint venture	-	-	-	-	(1)	(1)
X	Profit / (Loss) before exceptional items and tax (VIII + IX)	535	18	1,342	1,820	3,248	3,835
XI	Exceptional items gain / (loss) (net) (Refer note 3)	-	-	98	-	98	(1,208)
XII	Profit before tax from continuing operations (X + XI)	535	18	1,440	1,820	3,346	2,627
XIII	Tax (expense) / credit (Refer note 11)						
	Current tax	(102)	(31)	(302)	(152)	(302)	(1,022)
	Deferred tax (Refer note 7)	(313)	(170)	(32)	(675)	-	5,707
XIV	Profit / (Loss) after tax from continuing operations (XII + XIII)	120	(183)	1,106	993	3,044	7,312
	Discontinued Operations (Refer note 9)						
XV	Profit / (Loss) from discontinued operations before tax	(214)	(175)	(170)	(720)	(1,556)	(1,470)
XVI	Tax expense of discontinued operations	-	-	-	-	-	-
XVII	Profit / (Loss) from discontinued operations after tax (XV+XVI) (Refer note 9)	(214)	(175)	(170)	(720)	(1,556)	(1,470)
XVIII	Profit / (Loss) after tax from total operations (XIV+XVII)	(94)	(358)	936	273	1,488	5,842
XIX	Other comprehensive income / (loss)						
(i)	Items that will not be reclassified to profit and loss (net of tax)	164	(235)	15	(142)	49	(161)
(ii)	Items that will be reclassified to profit and loss (net of tax)	647	553	(1,643)	1,565	2,574	1,693
	Total other comprehensive income / (loss) (net of tax) (Refer note 8)	811	318	(1,628)	1,423	2,623	1,532
XX	Total Comprehensive Income / (Loss) (XVIII+XIX)	717	(40)	(692)	1,696	4,111	7,374
XXI	Net Profit / (Loss) for the period attributable to :						
	Equity shareholders of the Company	(84)	(344)	945	307	1,510	5,869
	Non controlling interests	(10)	(14)	(9)	(34)	(22)	(27)
	Total Comprehensive Income / (Loss) attributable to :	727	(26)	(683)	1,730	4,133	7,401
	Equity shareholders of the Company	(10)	(14)	(9)	(34)	(22)	(27)
XXII	Paid-up equity share capital (Face Value - ₹ 2 each per share)	2,244	2,244	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	0.12	(0.15)	0.99	0.92	2.73	6.54
(ii)	Discontinuing operations	(0.19)	(0.16)	(0.15)	(0.64)	(1.39)	(1.31)
(iii)	Total operations	(0.07)	(0.31)	0.84	0.28	1.34	5.23



B. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31 DECEMBER 2019

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Quarter ended			Nine months ended		(₹ in Lakhs)
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
Continuing operations						
a) India	12,391	12,254	11,488	35,406	32,921	46,200
b) U.A.E (Dubai)	3,464	3,418	3,959	10,727	11,628	14,914
c) U.S.A and Hungary	3,007	2,927	3,665	10,457	8,944	11,785
d) Others	434	746	656	1,511	1,798	2,586
Total	19,296	19,345	19,768	58,101	55,291	75,485
Inter segment revenue	176	1,431	1,169	1,915	3,814	5,276
Revenue from continuing operations	19,120	17,914	18,599	56,186	51,477	70,209
Discontinued operations (Refer note 9)						
China	-	-	-	-	54	54
Revenue from discontinued operations	-	-	-	-	54	54
2. Segment results						
Continuing operations						
Segment Result (before foreign exchange variation gain / (loss), finance costs and tax):						
a) India	1,613	1,383	1,047	4,072	4,513	5,035
b) U.A.E (Dubai)	277	249	(6)	827	1,326	1,414
c) U.S.A and Hungary	(388)	(789)	128	(613)	(83)	(1,262)
d) Others	(20)	25	11	(35)	(41)	(10)
Total	1,482	868	1,180	4,251	5,715	5,177
Unallocable income / (expenses) (net)	515	(177)	63	417	193	279
Foreign exchange variation gain / (loss)	(470)	128	1,074	(239)	98	733
Finance costs	992	801	877	2,609	2,660	3,562
Profit before tax from continuing operations	535	18	1,440	1,820	3,346	2,627
Discontinued operations (Refer note 9)						
China	(214)	(175)	(170)	(720)	(1,556)	(1,470)
Profit / (Loss) from discontinued operations before tax	(214)	(175)	(170)	(720)	(1,556)	(1,470)
3. Segment assets						
Continuing operations						
a) India	52,726	51,306	46,985	52,726	46,985	51,341
b) U.A.E (Dubai)	16,359	16,204	15,136	16,359	15,136	14,627
c) U.S.A and Hungary	22,735	22,620	24,427	22,735	24,427	22,846
d) Others	860	1,303	766	860	766	859
Total	92,680	91,433	87,314	92,680	87,314	89,673
Unallocated assets	3,792	4,142	5,063	3,792	5,063	4,173
Total segment assets - continuing operations (I)	96,472	95,575	92,377	96,472	92,377	93,846
Discontinued operations (Refer note 9)						
China	6,757	6,861	8,488	6,757	8,488	8,700
Total segment assets - discontinued operations (II)	6,757	6,861	8,488	6,757	8,488	8,700
Total segment assets (I+II)	103,229	102,436	100,865	103,229	100,865	102,546
4. Segment liabilities						
a) India	8,858	8,228	7,548	8,858	7,548	7,989
b) U.A.E (Dubai)	1,718	1,436	2,020	1,718	2,020	2,177
c) U.S.A and Hungary	6,560	6,124	6,299	6,560	6,299	6,295
d) Others	75	286	27	75	27	236
Total	17,211	16,074	15,894	17,211	15,894	16,697
Add: Unallocated	32,393	33,442	36,070	32,393	36,070	33,657
Total segment liabilities - continuing operations (III)	49,604	49,516	51,964	49,604	51,964	50,354
Discontinued operations (Refer note 9)						
China	314	326	384	314	384	412
Total segment liabilities - discontinued operations (IV)	314	326	384	314	384	412
Total segment liabilities (III+IV)	49,918	49,842	52,348	49,918	52,348	50,766

AB



Notes (A and B):

- 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 12 February 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended, prescribed under Section 133 of the Companies Act, 2013.
- 3 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 quarter ended 31 December 2018, nine months ended 31 December 2018 and year 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 year ended 31 March 2019.
- 4 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the 'Company'), its seven wholly owned 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.
- 5 The outstanding balances (before eliminating inter company balances) of the Holding Company as at 31 December 2019 include trade payables aggregating ₹ 8,563 lakhs, trade receivables aggregating ₹ 40 lakhs (balance net of provision :- ₹ 22 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (balance net of provision :- ₹ Nil) 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 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 has requested for an extension in the timeline till 31 March 2020 for complying with these terms and conditions. The Holding Company is in the process of 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 consolidated financial results do not include any adjustments that may arise due to such delay/default.
- 6 The Company, its subsidiaries, step down subsidiaries and joint venture operate within a single business segment. 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.
- 7 Considering the improvements in Holding Company's performance and management's expectation of sustainable profits in future periods, the Holding Company had 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 included deferred tax credit of ₹ 5,707 lakhs recognized on brought forward losses, unabsorbed depreciation, Minimum alternate Tax credit and other temporary differences.
- 8 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.
- 9 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.
- 10 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.
- 11 The Group is in the process of evaluating the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
- 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 and nine months ended 31 December 2019 is as follows:

	Quarter ended 31.12.2019 (Erstwhile basis)	Quarter ended 31.12.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) In Profit	Nine months ended 31.12.2019 (Erstwhile basis)	Nine months ended 31.12.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	4,186	4,070	116	12,393	12,049	344
Finance costs	992	1,024	(32)	2,609	2,709	(100)
Depreciation and amortisation	950	1,048	(98)	2,883	3,144	(261)
Profit before tax from continuing operations	549	535	(14)	1,837	1,820	(17)

- 13 Previous periods figures have been regrouped / recasted, wherever necessary.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 12 February 2020

Pushkar Khurana
Chairman
DIN:- 00040489

