

November 12, 2020

To,

BSE LIMITED P.J. Towers, Dalal Street, Mumbai - 400 001 BSE Scrip Code: 532684	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 NSE Symbol: EKC NSE Series: EQ
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EVEREST KANTO CYLINDER LIMITED

**Manufacturers
of High Pressure
Seamless
Gas Cylinders**

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on Thursday, November 12, 2020 and submission of financial results for the quarter and half year ended September 30, 2020

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the LODR Regulation), we hereby inform you that the Board of Directors of the Company at their Meeting held on Thursday, November 12, 2020, approved the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2020 along with Limited Review Report from M/s. Walker Chandiook & Company LLP, as on September 30, 2020. Copy of the same is attached herewith for your reference and records.

The Meeting of the Board of Directors commenced at 2:00 P.M. and concluded at 2:45 P.M.

You are requested to take the above on record.

Thanking you,

For **Everest Kanto Cylinder Limited**

BKK



Bhagyashree Kanekar
Company Secretary and Compliance Officer

Encl: a/a

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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 30 September 2020 and the year to date results for the period 1 April 2020 to 30 September 2020, 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 other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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, 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.

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)

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, delay in repayment of foreign currency advance received from customer against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans aggregating ₹ 8,758 lakhs, ₹ 1,327 lakhs, ₹ 41 lakhs and ₹ 2,297 lakhs, respectively, that are outstanding as at 30 September 2020 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, as amended from time to time, 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 are currently unascertainable but not expected to be material to the accompanying Statement. Accordingly, the accompanying Statement do not include any consequential adjustments with respect to such delays/defaults. Our conclusion is not modified in respect of this matter.

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

Bharat Shetty
Partner
Membership No:106815

UDIN No:20106815AAAFK1912

Place: Mumbai
Date: 12 November 2020

EVEREST KANTO CYLINDER LIMITED

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021

CIN: L29200MH1978PLC020434; Email: investors@ekc.in;

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A. STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2020

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)					
		Quarter ended			Half year ended		Year ended
		30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
I	Revenue from operations (Refer note 5)	19,194	12,617	11,764	31,811	22,239	48,955
II	Other income (Refer note 6)	79	53	8	132	124	527
III	Total Income (I + II)	19,273	12,670	11,772	31,943	22,363	49,482
IV	Expenses						
	(a) Cost of materials consumed	9,531	5,537	5,987	15,068	11,317	26,674
	(b) Purchases of stock-in-trade	1,312	1,195	7	2,507	566	1,758
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	368	(374)	901	(6)	1,377	897
	(d) Employee benefits expense	640	510	626	1,150	1,209	2,418
	(e) Finance costs	477	539	614	1,016	1,235	2,628
	(f) Depreciation and amortisation	471	463	629	934	1,069	2,288
	(g) Other expenses						
	- Power and fuel	820	587	564	1,407	1,148	2,506
	- Others	2,391	1,952	1,623	4,343	3,106	7,035
	Total Expenses	16,010	10,409	10,951	26,419	21,027	46,204
V	Profit before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)	3,263	2,261	821	5,524	1,336	3,278
VI	Foreign exchange variation gain / (loss)	312	66	(160)	378	(66)	(570)
VII	Profit before exceptional items and tax (V + VI)	3,575	2,327	661	5,902	1,270	2,708
VIII	Exceptional items gain / (loss) (net) (Refer note 3)	1,337	-	-	1,337	-	(112)
IX	Profit before tax (VII + VIII)	4,912	2,327	661	7,239	1,270	2,596
X	Tax (expense) / credit						
	Current tax	(888)	(427)	(31)	(1,315)	(39)	(499)
	Deferred tax	(825)	(394)	(176)	(1,219)	(383)	(506)
XI	Profit after tax (IX + X)	3,199	1,506	454	4,705	848	1,591
XII	Other comprehensive income						
	Items that will not be reclassified to profit and loss (net of tax)	-	-	-	-	-	14
	Total other comprehensive income	-	-	-	-	-	14
XIII	Total comprehensive income (XI+XII)	3,199	1,506	454	4,705	848	1,605
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						24,438
XVI	Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)	2.85	1.34	0.40	4.19	0.76	1.42

EVEREST KANTO CYLINDER LIMITED
B. STANDALONE BALANCE SHEET

(₹ in lakhs)

	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
I ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	18,743	19,444
(b) Capital work-in-progress	1,814	1,505
(c) Intangible assets	20	20
(d) Financial assets		
(i) Investments	2,474	2,474
(ii) Loans	211	209
(iii) Other financial assets	359	24
(e) Deferred tax assets (net)	4,052	5,271
(f) Current tax assets (net)	-	449
(g) Other non-current assets	1,761	1,675
Total of non-current assets	29,434	31,071
2 Current assets		
(a) Inventories	12,967	10,859
(b) Financial assets		
(i) Investments	7,301	7,301
(ii) Trade receivables	10,381	8,870
(iii) Cash and cash equivalents	383	528
(iv) Bank balances other than cash and cash equivalents	1,040	1,355
(v) Loans	84	100
(vi) Other financial assets	303	375
(c) Other current assets	2,339	1,615
Total of current assets	34,798	31,003
Assets classified as held for sale	1,822	1,835
Total Assets	66,054	63,909
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,244	2,244
(b) Other equity	29,143	24,438
Total of equity	31,387	26,682
2 Liabilities		
(i) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,363	5,182
(i) Other financial liabilities	280	274
(b) Provisions	155	155
Total of non-current liabilities	5,798	5,611
(ii) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,869	6,615
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	416	313
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,554	12,510
(iii) Other financial liabilities	6,058	6,346
(b) Other current liabilities	4,149	5,756
(c) Provisions	88	76
(d) Current tax liabilities (net)	735	-
Total of current liabilities	28,869	31,616
Total Equity and Liabilities	66,054	63,909

EVEREST KANTO CYLINDER LIMITED
C. STANDALONE CASH FLOW STATEMENT

(₹ in lakhs)

	Half year ended 30 September 2020 (Unaudited)	Half year ended 30 September 2019 (Unaudited)
A. Cash flow from operating activities		
Profit before tax	7,239	1,270
Adjustments for :		
Excess provision written back *	(20)	(0)
Bad debts / advances written off	100	26
Liabilities no longer required written back	(44)	(21)
Provision for doubtful debts	194	1
Excess provision written back of inventories	(27)	-
Unrealised foreign exchange (gain) / loss	(237)	186
Depreciation and amortisation	934	1,069
Impairment of property, plant and equipment	-	-
Diminution in value of investment	13	-
Provision for doubtful loan	-	53
Profit on sale of property, plant and equipment (net)	(1,319)	(3)
Fair valuation of financial guarantee	(4)	(2)
Interest income	(45)	(44)
Finance costs	1,016	1,235
Operating profit before working capital changes	7,800	3,770
Adjustment for movements in:		
Decrease / (Increase) in inventories	(2,081)	262
Decrease / (Increase) in trade and other receivables	(2,436)	3,595
(Decrease) / Increase in trade and other payables	718	(3,331)
Operating profit after working capital changes	4,001	4,296
Direct taxes paid (net of refunds)	(130)	(2)
Net cash generated from operating activities	3,871	4,294
B. Cash flow from investing activities		
Inflow:		
Interest income received	61	202
Sale proceeds of property, plant and equipment	183	9
Sale proceeds of non-current investments (net)	3	-
Sale proceeds of current investments (net)	-	3
Repayment of inter-corporate deposit	10	-
	257	214
Outflow:		
Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	841	1,581
Refund of excess advance received against sale of property, plant and equipment	28	-
Fixed deposits placed	20	36
Purchase of non-current investment	13	-
	902	1,617
Net cash used in investing activities	(645)	(1,403)
C. Cash flow from financing activities		
Inflow:		
Proceeds from non-current borrowings	100	254
	100	254
Outflow:		
Repayment of non-current borrowings	647	1,363
Repayment of current borrowings (net)	1,684	505
Finance costs paid	1,013	1,187
Finance costs on lease obligations paid	32	33
Repayment of lease obligations	95	75
	3,471	3,163
Net cash used in financing activities	(3,371)	(2,909)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(145)	(18)
Add: Cash and cash equivalents at the beginning of the period	528	131
Cash and cash equivalents at the end of the period	383	113
Cash and cash equivalents as per above comprises of the following:		
Cash on hand	33	43
Balances with banks	350	70
Cash and cash equivalents at the end of the period	383	113

Note: The above Standalone Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7, Cash Flow Statement.

* The amount is lower than ₹ lakhs

Notes (A to C):

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 November 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- 3 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the year ended 31 March 2020 includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of ₹ 259 lakhs.
 - (b) Exceptional item for the year ended 31 March 2020 includes impairment charge of ₹ 371 lakhs towards loans advanced in the earlier years to Calcutta Compressions and Liquefaction Engineering Limited, a subsidiary company, based on management's assessment of the recoverable value of such loans.
 - (c) Exceptional item for the quarter and half year ended 30 September 2020 represents profit on sale of premises which were held for sale as at 31 March 2020.
- 4 The outstanding balances as at 30 September 2020 include trade payables aggregating ₹ 8,758 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,327 lakhs, trade receivables aggregating ₹ 41 lakhs (net of provision ₹ 23 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (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, repayment of advance, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, as amended from time to time, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these 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 Revenue from operations includes income from processing charges aggregating ₹ 156 lakhs and ₹ 1,535 lakhs for the quarter and half year ended 30 September 2020, respectively.
- 6 Recognition of interest income of ₹ 17 lakhs and ₹ 35 lakhs for the quarter and half year ended 30 September 2020, respectively (₹ 17 lakhs for the quarter ended 30 June 2020, ₹ 17 lakhs for the quarter ended 30 September 2019, ₹ 35 lakhs for the half year ended 30 September 2019 and ₹ 63 lakhs for the year ended 31 March 2020) in respect of loan given to a subsidiary and rental income of ₹ 18 lakhs for the quarter and half year ended 30 September 2020, respectively, from such subsidiary has been deferred by the Company, due to uncertainties with respect to ultimate collection of outstanding amounts.
- 7 In accordance with Ind AS 108, 'Operating Segments', segment information has been disclosed in the consolidated financial results of the Company, and therefore, no separate disclosure on segment information is given in the standalone financial results.
- 8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 9 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these standalone financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables and deferred tax assets. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's standalone financial results, which may differ from that considered as at the date of approval of these standalone financial results. The Company has resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

For and on behalf of the Board of Directors

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Place : Mumbai
Date : 12 November 2020

Pushkar Khurana
Chairman
DIN:- 00040489

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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)

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') (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2020 and the consolidated year to date results for the period 1 April 2020 to 30 September 2020, 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 other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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 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 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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 7 to the accompanying Statement regarding Holding Company's delays in payment of foreign currency trade payables against the supply of goods, delay in repayment of foreign currency advance received from customer against the supply of goods, receipt in foreign currency trade receivables and interest receivable on foreign currency loans aggregating ₹ 8,758 lakhs, ₹ 1,327 lakhs, ₹ 41 lakhs and ₹ 2,297 lakhs, respectively, that are outstanding as at 30 September 2020 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, as amended from time to time, 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 are currently unascertainable but not expected to be material to the accompanying Statement. Accordingly, the accompanying Statement do 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 eight subsidiaries included in the Statement, whose interim financial results (before eliminating inter company balances / transactions) reflect total assets of ₹ 122,525 lakhs as at 30 September 2020, and total revenues of ₹ 4,478 lakhs and ₹ 10,414 lakhs, total net loss after tax of ₹ 875 lakhs and ₹ 1,574 lakhs, total comprehensive loss of ₹ 950 lakhs and ₹ 1,469 lakhs, for the quarter and six months period ended 30 September 2020, respectively, and cash outflows (net) of ₹ 514 lakhs for the six months period ended 30 September 2020, 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, five subsidiaries are located outside India, whose interim financial results have been prepared in accordance with the 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 the 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 balances and affairs of these subsidiaries is based on the review reports 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 with respect to our reliance on the work done by and the reports of the other auditors.

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 a subsidiary, which has not been reviewed by its auditor, whose interim financial information (before eliminating inter company balances / transactions) reflects total assets of ₹ 1,013 lakhs as at 30 September 2020, and total revenues of ₹ 392 lakhs and ₹ 807 lakhs, net profit/(loss) after tax of ₹ 5 lakhs and ₹ (23) lakhs, total comprehensive income/(loss) of ₹ 5 lakhs and ₹ (23) lakhs for the quarter and six months period ended 30 September 2020, respectively, and cash inflows of ₹ 12 lakhs for the six months period ended 30 September 2020, as considered in the Statement. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

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

Bharat Shetty
Partner
Membership No:106815

UDIN:20106815AAAFL5355

Place: Mumbai
Date: 12 November 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

- 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
- Next Gen Cylinder Private Limited
- EKC Positron Gas Ltd (upto 10 July 2020)

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A. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2020

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
							(₹ in lakhs, unless otherwise stated)
	Continuing operations						
I	Revenue from operations (Refer note 6)	24,599	17,184	17,914	41,783	37,066	76,052
II	Other income	94	46	230	140	334	668
III	Total Income (I + II)	24,693	17,230	18,144	41,923	37,400	76,720
IV	Expenses						
	(a) Cost of materials consumed	12,057	7,872	8,232	19,929	16,024	37,564
	(b) Purchases of stock-in-trade	1,188	1,273	202	2,461	1,054	2,152
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	191	(922)	1,936	(731)	3,650	2,315
	(d) Employee benefits expense	2,161	1,966	2,084	4,127	4,157	8,323
	(e) Finance costs	607	756	835	1,363	1,685	3,586
	(f) Depreciation and amortisation	893	902	1,130	1,795	2,096	4,334
	(g) Other expenses						
	- Power and fuel	1,107	860	937	1,967	1,875	3,974
	- Others	3,534	2,936	2,986	6,470	5,893	12,123
	Total Expenses	21,738	15,643	18,342	37,381	36,434	74,371
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)	2,955	1,587	(198)	4,542	966	2,349
VI	Provision written back / (Provision for doubtful debts)	(3)	(68)	88	(71)	88	(65)
VII	Foreign exchange variation gain / (loss)	370	(27)	128	343	231	(703)
VIII	Profit before exceptional items, share of profit / (loss) of joint venture and tax (V + VI + VII)	3,322	1,492	18	4,814	1,285	1,581
IX	Share of profit / (loss) of joint venture	-	-	-	-	-	-
X	Profit before exceptional items and tax (VIII + IX)	3,322	1,492	18	4,814	1,285	1,581
XI	Exceptional items gain / (loss) (net) (Refer note 3)	1,337	-	-	1,337	-	119
XII	Profit before tax from continuing operations (X + XI)	4,659	1,492	18	6,151	1,285	1,700
XIII	Tax (expense) / credit						
	Current tax	(888)	(427)	(31)	(1,315)	(50)	(536)
	Deferred tax	(821)	(413)	(170)	(1,234)	(362)	(491)
XIV	Profit after tax from continuing operations (XII + XIII)	2,950	652	(183)	3,602	873	673
	Discontinued Operations (Refer note 10)						
XV	Profit / (Loss) from discontinued operations before tax	(54)	(39)	(175)	(93)	(506)	(459)
XVI	Tax expense of discontinued operations	-	-	-	-	-	-
XVII	Profit / (Loss) from discontinued operations after tax (XV+XVI) (Refer note 10)	(54)	(39)	(175)	(93)	(506)	(459)
XVIII	Profit / (Loss) after tax from total operations (XIV+XVII)	2,896	613	(358)	3,509	367	214
XIX	Other comprehensive income / (loss)						
	(i) Items that will not be reclassified to profit and loss (net of tax)	(77)	180	(235)	103	(306)	(697)
	(ii) Items that will be reclassified to profit and loss (net of tax)	(549)	314	553	(235)	918	2,639
	Total other comprehensive income / (loss) (net of tax) (Refer note 9)	(626)	494	318	(132)	612	1,942
XX	Total Comprehensive Income (XVIII+XIX)	2,270	1,107	(40)	3,377	979	2,156
XXI	Net Profit for the period attributable to :						
	Equity shareholders of the Company	2,896	623	(344)	3,519	391	298
	Non controlling interests	-	(10)	(14)	(10)	(24)	(84)
	Total Comprehensive Income attributable to :						
	Equity shareholders of the Company	2,270	1,117	(26)	3,387	1,003	2,240
	Non controlling interests	-	(10)	(14)	(10)	(24)	(84)
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						51,602
XXIV	Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)						
	(i) Continuing operations	2.63	0.59	(0.15)	3.22	0.80	0.67
	(ii) Discontinuing operations	(0.05)	(0.03)	(0.16)	(0.08)	(0.45)	(0.41)
	(iii) Total operations	2.58	0.56	(0.31)	3.14	0.35	0.26

EVEREST KANTO CYLINDER LIMITED
B. CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
I ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	32,527	33,774
(b) Capital work-in-progress	2,884	2,631
(c) Intangible assets	77	89
(d) Investment accounted for using equity method	-	-
(e) Financial assets		
(i) Investments	298	298
(ii) Loans	253	253
(iii) Other financial assets	359	24
(e) Deferred tax assets (net)	4,063	5,292
(f) Current tax assets (net)	43	467
(g) Other non-current assets	1,762	1,675
Total of non-current assets	42,266	44,503
2 Current assets		
(a) Inventories	31,598	30,279
(b) Financial assets		
(i) Trade receivables	13,775	11,838
(ii) Cash and cash equivalents	865	1,560
(iii) Bank balances other than cash and cash equivalents	1,830	2,288
(iv) Loans	177	208
(v) Other financial assets	410	426
(c) Other current assets	4,588	4,389
Total of current assets	53,243	50,988
Assets classified as held for sale	8,445	8,376
Total Assets	103,954	103,867
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,244	2,244
(b) Other equity	54,851	51,602
Equity attributable to owners	57,095	53,846
Non-controlling interests	-	(75)
Total of equity	57,095	53,771
2 Liabilities		
(i) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,424	5,257
(ii) Other financial liabilities	1,502	1,608
(b) Provisions	2,431	2,453
Total of non-current liabilities	9,357	9,318
(ii) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14,771	18,252
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	469	438
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,396	6,378
(iii) Other financial liabilities	8,257	8,122
(b) Other current liabilities	5,959	6,720
(c) Provisions	592	532
(d) Current tax liabilities (net)	735	17
Total of current liabilities	37,179	40,459
Liabilities directly associated with assets classified as held for sale	323	319
Total Equity and Liabilities	103,954	103,867

EVEREST KANTO CYLINDER LIMITED
C. CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

	Half year ended 30 September 2020	Half year ended 30 September 2019
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit / (Loss) before tax from:		
Continuing operations	6,151	1,285
Discontinued operations	(93)	(506)
Adjustments for :		
Excess provision written back *	(20)	(0)
Bad debts / advances written off	259	303
Liabilities no longer required written back	(66)	(28)
Provision for doubtful debts (net)	71	(88)
Excess provision written back of inventories	(27)	-
Depreciation and amortisation	1,795	2,096
Impairment of property, plant and equipment	9	-
(Profit) / Loss on sale of property, plant and equipment (net)	(1,319)	(210)
Interest income	(45)	(53)
Finance costs	1,363	1,685
Operating profit before working capital changes	8,078	4,484
Adjustment for movements in:		
(Increase) / decrease in trade and other receivables	(2,425)	(325)
(Increase) / decrease in inventories	(1,292)	704
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	1,275	(1,353)
Cash generated from / (used in) operating activities	5,636	3,510
Direct taxes paid (net of refunds)	(172)	(8)
Net cash generated from operating activities	5,464	3,502
B. Cash flow from investing activities		
Inflow:		
Interest income received	61	163
Fixed deposits matured	123	61
Sale proceeds of non-current investments (net)	3	-
Sale proceeds of current investments (net)	-	3
Sale proceeds of property, plant and equipment	374	317
Repayment of inter-corporate deposit	10	-
	571	544
Outflow:		
Purchase of property, plant and equipment / intangible assets (including capital work-in-progress)	1,481	549
Refund of excess advance received against sale of property, plant and equipment	28	-
Purchase of non-current investment	13	-
	1,522	549
Net cash generated used in investing activities	(951)	(5)
C. Cash flow from financing activities		
Inflow:		
Proceeds from non-current borrowings	937	254
	937	254
Outflow:		
Repayment of current borrowings (net)	3,436	431
Repayment of non-current borrowings (net)	966	2,153
Finance costs paid	1,304	1,617
Finance costs on lease obligations paid	64	68
Repayment of lease obligations	188	162
	5,958	4,431
Net cash used in financing activities	(5,021)	(4,177)
D. Change in currency fluctuation reserve arising on consolidation	(187)	507
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(695)	(173)
Add: Cash and cash equivalents at the beginning of the period	1,560	832
Cash and cash equivalents at the end of the period	865	659
Cash and cash equivalents as per above comprises of the following:		
Cash on hand	45	49
Balances with banks	820	610
Cash and cash equivalents at the end of the period	865	659

Note: The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7, Cash Flow Statement.

* The amount is lower than ₹ lakhs

EVEREST KANTO CYLINDER LIMITED
D. SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
Continuing operations						
a) India	19,198	12,647	12,254	31,845	23,015	50,158
b) U.A.E (Dubai)	3,013	2,226	3,418	5,239	7,263	13,599
c) U.S.A and Hungary	2,637	2,377	2,927	5,014	7,450	12,725
d) Others	391	415	746	806	1,077	2,362
Total	25,239	17,665	19,345	42,904	38,805	78,844
Inter segment revenue	640	481	1,431	1,121	1,739	2,792
Revenue from continuing operations	24,599	17,184	17,914	41,783	37,066	76,052
Discontinued operations (Refer note 10)						
China	-	-	-	-	-	-
Revenue from discontinued operations	-	-	-	-	-	-
2. Segment results						
Continuing operations						
Segment Results (before foreign exchange variation gain / (loss), finance costs and tax):						
a) India	5,044	2,778	1,383	7,822	2,459	5,715
b) U.A.E (Dubai)	382	48	249	430	550	1,120
c) U.S.A and Hungary	(604)	(565)	(789)	(1,169)	(225)	(1,139)
d) Others	4	(28)	25	(24)	(15)	(46)
Total	4,826	2,233	868	7,059	2,769	5,650
Unallocable income / (expenses) (net)	24	23	(177)	47	(98)	206
Foreign exchange variation gain / (loss)	370	(27)	128	343	231	(703)
Finance costs	561	737	801	1,298	1,617	3,453
Profit before tax from continuing operations	4,659	1,492	18	6,151	1,285	1,700
Discontinued operations (Refer note 10)						
China	(54)	(39)	(175)	(93)	(506)	(459)
Profit / (Loss) from discontinued operations before tax	(54)	(39)	(175)	(93)	(506)	(459)
3. Segment assets						
Continuing operations						
a) India	50,623	49,269	45,896	50,623	45,896	46,780
b) U.A.E (Dubai)	16,321	16,452	16,204	16,321	16,204	17,676
c) U.S.A and Hungary	22,503	23,061	22,592	22,503	22,592	22,760
d) Others	763	1,037	1,303	763	1,303	1,207
Total	90,210	89,819	85,995	90,210	85,995	88,423
Unallocated assets	6,683	7,683	9,580	6,683	9,580	8,494
Total segment assets - continuing operations (I)	96,893	97,502	95,575	96,893	95,575	96,917
Discontinued operations (Refer note 10)						
China	7,061	6,961	6,861	7,061	6,861	6,950
Total segment assets - discontinued operations (II)	7,061	6,961	6,861	7,061	6,861	6,950
Total segment assets (I+II)	103,954	104,463	102,436	103,954	102,436	103,867
4. Segment liabilities						
a) India	9,113	9,851	8,228	9,113	8,228	9,517
b) U.A.E (Dubai)	3,261	2,860	1,436	3,261	1,436	1,996
c) U.S.A and Hungary	7,445	7,073	6,124	7,445	6,124	7,185
d) Others	43	183	286	43	286	54
Total	19,862	19,967	16,074	19,862	16,074	18,752
Add: Unallocated	26,670	29,290	33,442	26,670	33,442	31,013
Total segment liabilities - continuing operations (III)	46,532	49,257	49,516	46,532	49,516	49,765
Discontinued operations (Refer note 10)						
China	327	328	326	327	326	331
Total segment liabilities - discontinued operations (IV)	327	328	326	327	326	331
Total segment liabilities (III+IV)	46,859	49,585	49,842	46,859	49,842	50,096

Notes (A to D):

- 1 The above statements were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 November 2020.
- 2 These statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- 3 Exceptional items gain / (loss) (net) represent:
 - (a) Exceptional item for the year ended 31 March 2020 includes gain on reversal of provision made in earlier periods towards write down in value for slow and non-moving inventory items of ₹ 259 lakhs.
 - (b) Subsequent to year ended 31 March 2020, the Management of Calcutta Compressions and Liquefaction Engineering Limited, a subsidiary company, had decided to sell its property, plant and equipment. Accordingly, based on its assessment of recoverable value of such assets, an impairment provision of ₹ 140 lakhs had been considered during the year ended 31 March 2020.
 - (c) Exceptional item for the quarter and half year ended 30 September 2020 represents profit on sale of premises by the Holding Company which were held for sale as at 31 March 2020.
- 4 During the quarter ended 30 September 2020, the Holding Company has entered into an agreement towards sale of its entire stake in EKC Positron Gas Limited and also towards purchase of balance equity shares in Calcutta Compressions and Liquefaction Engineering Limited. Pursuant to the aforesaid transactions, EKC Positron Gas Limited has ceased to be a subsidiary company and Calcutta Compressions and Liquefaction Engineering Limited has become a wholly owned subsidiary company. The difference between the consideration paid for purchase of balance equity shares and the decrease in non-controlling interests is adjusted in other equity.
- 5 The consolidated financial results include the standalone financial results of Everest Kanto Cylinder Limited (the 'Company'), its eight wholly owned subsidiaries and step-down subsidiaries, EKC Industries (Tianjin) Co. Ltd., EKC International FZE, EKC Industries (Thailand) Co.Ltd., Calcutta Compressions & Liquefaction Engineering Limited, EKC Hungary Kft, CP Industries Holdings, Inc., EKC Europe GmbH and Next Gen Cylinder Private Limited and also EKC Positron Gas Limited, a subsidiary in which it had majority stake (upto 10 July 2020) and of a joint venture, Kamal EKC International Limited (upto 22 August 2019). The financial results of these entities have been duly reviewed by the respective auditors of these entities, except for EKC Europe GmbH whose operations are not significant.
- 6 Revenue from operations includes income from processing charges aggregating ₹ 156 lakhs and ₹ 1,535 lakhs for the quarter and half year ended 30 September 2020, respectively.
- 7 The outstanding balances (before eliminating inter-company balances) of the Holding Company as at 30 September 2020 include trade payables aggregating ₹ 8,758 lakhs, liability towards repayment of advance received from customer aggregating ₹ 1,327 lakhs, trade receivables aggregating ₹ 41 lakhs (net of provision ₹ 23 lakhs) and interest receivable aggregating ₹ 2,297 lakhs (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, repayment of advance, receipts of receivables and receipt of interest, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, Notification No. FEMA 23(R)/2015-RB, FED Master Direction No. 16/2015-16 and Notification No. FEMA 120/RB-2004, respectively, as amended from time to time, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of regularising these 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.
- 8 The Company, its subsidiaries and step down subsidiaries 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 and step down subsidiaries.
- 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. ₹ 10,107 lakhs). The Holding Company has obtained requisite approval from its shareholders. Accordingly, the results, assets and liabilities of 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 Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 13 In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these consolidated financial results, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, inventories, trade receivables and deferred tax assets. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Group's consolidated financial results, which may differ from that considered as at the date of approval of these consolidated financial results. The Group has resumed its business activities, in line with guidelines issued by the Government authorities, taken steps to strengthen its liquidity position and initiated cost restructuring exercise. The Group does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Group is closely monitoring the situation as it evolves in the future.

For and on behalf of the Board of Directors

PUSHKAR
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KHURANA

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Pushkar Khurana
Chairman
DIN:- 00040489

Place : Mumbai

Date : 12 November 2020