

November 14, 2019

To,

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

Manufacturers  
of High Pressure  
Seamless  
Gas Cylinders

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

CIN L29200MH1978PLC020434

Tel. : +91-22-4926 8300 / 01

Fax : +91-22-2287 0720

Website : [www.everstkanto.com](http://www.everstkanto.com)

Dear Sir/Madam,

**Sub:** Outcome of the Board Meeting held on Thursday, November 14, 2019 and submission of financial results for the quarter ended September 30, 2019

Pursuant to Regulation 30, 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the LODR Regulations"), we hereby inform you that the Board of Directors of the Company at their Meeting held on Thursday, November 14, 2019, approved the following:

1. Unaudited Standalone and Consolidated Financial Results for the quarter ended September 30, 2019 along with the Cash Flow Statement and the Statement of Assets and Liabilities as at September 30, 2019 with Limited Review Report from M/s. Walker Chandiok & Co. LLP, as on September 30, 2019. A copy is attached herewith.
2. Cessation of Mr. Puneet Khurana as Chief Executive Officer of the Company (Annexure I).
3. Change in Designation of Mr. Pushkar Khurana as the Executive Chairman of the Company.
4. Appointment of Mr. Puneet Khurana as the Managing Director of the Company (Annexure II).
5. Closure of Next Gen Cylinder Private Limited, Wholly owned Subsidiary of the Company (Annexure III).



Disclosures under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for aforesaid matters is attached as Annexure I, II and III.

The Meeting of the Board of Directors commenced at 05.15 P.M. and concluded at 10.50 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

**Annexure I**

Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (For Mr. Puneet Khurana as the Chief Executive Officer of the Company)

Particulars	Particulars
Reason for change viz. appointment, resignation, removal, death or otherwise	Resignation
Date of appointment / cessation (as applicable) & term of appointment;	November 14, 2019
Brief profile (in case of appointment);	Not Applicable
Disclosure of relationships between directors	Not Applicable

**Annexure II**

Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (For Mr. Puneet Khurana as the Managing Director of the Company)

Particulars	Particulars
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment
Date of appointment / cessation (as applicable) & term of appointment;	November 14, 2019



*Bk*



Brief profile (in case of appointment);	Mr. Puneet Khurana is a commerce graduate from Mumbai University and has done his Masters in Business Administration (International Business) from European University, Montreux, Switzerland. His achievements include exploiting international markets for the Company's CNG cylinders in Iran, Malaysia, Thailand & Bangladesh. He has been instrumental in developing business relations with Iran and OEM product development from the design stage to production with Bajaj Auto Limited (auto rickshaws), TATA Motors (Indica). He has also been working with various gas companies in India like MGL / IGL / Adani Energy for providing solutions for CNG distribution.
Disclosure of relationships between Directors	Mr. Puneet Khurana is the brother of Mr. Pushkar Khurana, Executive Chairman of the Company.

### Annexure III

Particulars	Particulars
date of such binding agreement, if any, entered for sale of such unit/division, if any;	Not Applicable
amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;	Next Gen Cylinder Private Limited ("Next Gen") had not initiated business operations, hence had no turnover or revenue or income.  Networth of Next Gen as on March 31, 2019 was Rs. 9,91,150/-
date of closure or estimated time of closure;	Application to Ministry of Corporate Affairs would be made within one month
reasons for closure.	The business operations are not expected to be started due to unfavorable business conditions.



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**Walker Chandlok & Co LLP**  
16th Floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Elphinstone (W)  
Mumbai - 400 013  
India

T +91 22 6626 2600  
F +91 22 6626 2601

## **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 2019 and the year to date results for the period 01 April 2019 to 30 September 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. Attention is drawn to the fact that the cash flow figures for the corresponding six months period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
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.

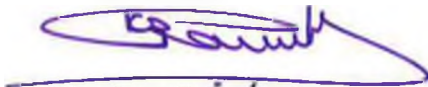


**Everest Kanto Cylinder Limited  
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date  
Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015 (as amended)**

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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 ₹ 8,650 lakhs, ₹ 40 lakhs and ₹ 2,297 lakhs respectively, that are outstanding as at 30 September 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 Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Khushroo B. Panthaky**  
Partner  
Membership No. 042423

**UDIN No:19042423AAAAFV2481**

**Place:** Mumbai  
**Date:** 14 November 2019



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;

Tel Numbers: 022 3026 8300/01 Fax: 022 2287 0720; Website : www.everestkanto.com

A. STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2019

Sr. No.	Particulars	(₹ in lakhs. unless otherwise stated)					
		Quarter ended			Half year ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
I	Revenue from operations	11,764	10,475	10,900	22,239	21,087	45,249
II	Other income (Refer note 6)	8	116	193	124	490	649
III	<b>Total Income (I + II)</b>	<b>11,772</b>	<b>10,591</b>	<b>11,093</b>	<b>22,363</b>	<b>21,577</b>	<b>45,898</b>
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	5,987	5,330	6,532	11,317	12,047	24,548
	(b) Purchases of stock-in-trade	7	559	712	566	951	1,237
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	901	476	(886)	1,377	(855)	633
	(d) Employee benefits expense	626	583	512	1,209	1,014	2,257
	(e) Finance costs	614	621	615	1,235	1,308	2,614
	(f) Depreciation and amortisation	629	440	308	1,069	613	1,312
	(g) Other expenses						
	- Power and fuel	564	584	629	1,148	1,187	2,577
	- Others	1,623	1,483	1,715	3,106	3,142	6,681
	<b>Total Expenses</b>	<b>10,951</b>	<b>10,076</b>	<b>10,037</b>	<b>21,027</b>	<b>19,407</b>	<b>41,859</b>
V	<b>Profit / (Loss) before foreign exchange variation gain / (loss), exceptional items and tax (III - IV)</b>	<b>821</b>	<b>515</b>	<b>1,056</b>	<b>1,336</b>	<b>2,170</b>	<b>4,039</b>
VI	Foreign exchange variation gain / (loss)	(160)	94	(552)	(66)	(975)	520
VII	<b>Profit / (Loss) before exceptional items and tax (V + VI)</b>	<b>661</b>	<b>609</b>	<b>504</b>	<b>1,270</b>	<b>1,195</b>	<b>4,559</b>
VIII	Exceptional items gain / (loss) (net) (Refer note 3)	-	-	(1,339)	-	(1,339)	(505)
IX	<b>Profit / (Loss) before tax (VII + VIII)</b>	<b>661</b>	<b>609</b>	<b>(835)</b>	<b>1,270</b>	<b>(144)</b>	<b>4,054</b>
X	<b>Tax (expense) / credit (Refer note 7)</b>						
	Current tax	(31)	(8)	155	(39)	-	(1,008)
	Deferred tax (Refer note 5)	(176)	(207)	32	(383)	32	5,707
XI	<b>Profit / (Loss) after tax (IX + X)</b>	<b>454</b>	<b>394</b>	<b>(648)</b>	<b>848</b>	<b>(112)</b>	<b>8,753</b>
XII	<b>Other comprehensive income / (loss)</b>						
	Items that will not be reclassified to profit and loss (net of tax)	-	-	15	-	34	(181)
	<b>Total other comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>34</b>	<b>(181)</b>
XIII	<b>Total comprehensive income (XI+XII)</b>	<b>454</b>	<b>394</b>	<b>(633)</b>	<b>848</b>	<b>(78)</b>	<b>8,572</b>
XIV	<b>Paid-up equity share capital</b> (Face Value - ₹ 2 each per share)	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>
XV	<b>Other equity excluding revaluation reserve</b>						22,958
XVI	<b>Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (In ₹)</b>	<b>0.40</b>	<b>0.35</b>	<b>(0.58)</b>	<b>0.76</b>	<b>(0.10)</b>	<b>7.80</b>



**B. STANDALONE BALANCE SHEET**

(₹ in lakhs)

Particulars	As at 30 September 2019	As at 31 March 2019
	(Unaudited)	(Audited)
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	19,593	20,001
(b) Capital work-in-progress	2,173	778
(c) Intangible assets	20	21
(d) Financial assets		
(i) Investments	2,452	2,450
(ii) Loans	415	205
(iii) Other financial assets	24	236
(e) Deferred tax assets (net) (Refer note 5)	5,397	5,714
(f) Other non-current assets	221	67
<b>Total of non-current assets</b>	<b>30,295</b>	<b>29,472</b>
<b>2 Current assets</b>		
(a) Inventories	11,401	11,663
(b) Financial assets		
(i) Investments	7,301	7,304
(ii) Trade receivables	7,750	8,479
(iii) Cash and cash equivalents	113	131
(iv) Bank balances other than cash and cash equivalents	1,344	1,096
(v) Loans	1,657	1,853
(vi) Other financial assets	317	291
(c) Other current assets	2,260	5,388
<b>Total of current assets</b>	<b>32,143</b>	<b>36,205</b>
Assets classified as held for sale	1,835	1,835
<b>Total Assets</b>	<b>64,273</b>	<b>67,512</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	2,244	2,244
(b) Other equity	23,681	22,958
<b>Total of equity</b>	<b>25,925</b>	<b>25,202</b>
<b>2 Liabilities</b>		
<b>(i) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	6,348	8,686
(ii) Other financial liabilities	363	-
(b) Provisions	197	197
<b>Total of non-current liabilities</b>	<b>6,908</b>	<b>8,883</b>
<b>(ii) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	6,632	7,137
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	404	363
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,671	15,285
(iii) Other financial liabilities	8,147	6,272
(b) Provisions	89	85
(c) Current tax liabilities (net)	180	143
(d) Other current liabilities	5,317	4,142
<b>Total of current liabilities</b>	<b>31,440</b>	<b>33,427</b>
<b>Total Equity and Liabilities</b>	<b>64,273</b>	<b>67,512</b>



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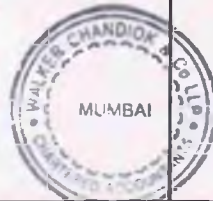
**C. STANDALONE CASH FLOW STATEMENT**

	Half year ended 30.09.2019 (Unaudited)	Half year ended 30.09.2018 (Unaudited)
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	1,270	(144)
Adjustments for :		
Provision / (Reversal of provision) for sales returns	(5)	3
Income from fair valuation of financial guarantee	(2)	(4)
Changes in fair value of fair value through other comprehensive income equity measurements	-	39
Depreciation and amortisation	1,069	613
Unrealised foreign exchange variation loss (net)	186	973
Bad debts / advances write off	26	51
Provision for doubtful debts	1	121
Provision for doubtful loans	53	89
Excess provision written back *	(0)	(115)
Liabilities no longer required written back	(21)	(80)
Provision for diminution in the value of Investments	-	1,339
(Profit) / Loss on sale of property, plant and equipment (net)	(3)	(1)
Interest on financial assets measured at amortised cost	(44)	(173)
Dividend on financial assets measured at fair value through profit and loss *	(0)	(0)
Finance costs	1,235	1,308
<b>Operating profit before working capital changes</b>	<b>3,765</b>	<b>4,019</b>
Adjustment for movements in:		
Decrease / (Increase) in inventories	262	(837)
Decrease / (Increase) in trade and other receivables	3,810	(2,263)
(Decrease) / Increase in trade and other payables	(3,331)	990
<b>Operating profit after working capital changes</b>	<b>4,506</b>	<b>1,909</b>
Direct taxes paid (net of refunds)	(2)	(19)
<b>Net cash generated from operating activities</b>	<b>4,504</b>	<b>1,890</b>
<b>B. Cash flow from investing activities</b>		
<i>Inflow:</i>		
Proceeds from sale of current investments	3	-
Dividend on financial assets measured at fair value through profit and loss *	0	0
Interest on financial assets measured at amortised cost	202	164
Fixed deposits matured	-	146
Sale proceeds of property, plant and equipment	9	15
Advance received against sale of property, plant and equipment	-	1,328
Repayment of inter-corporate deposit	-	171
	<b>214</b>	<b>1,824</b>
<i>Outflow:</i>		
Purchase of property, plant and equipment (including capital work-in-progress)	1,581	997
Inter-corporate loans	210	-
Fixed deposits placed	36	-
	<b>1,827</b>	<b>997</b>
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,613)</b>	<b>827</b>
<b>C. Cash flow from financing activities</b>		
<i>Inflow:</i>		
Proceeds from current borrowings (net)	-	398
Proceeds from non-current borrowings	254	444
	<b>254</b>	<b>842</b>
<i>Outflow:</i>		
Repayment of non-current borrowings	1,363	2,334
Repayment of current borrowings (net)	505	-
Finance costs paid	1,220	1,278
Payment of lease obligations	75	-
	<b>3,163</b>	<b>3,612</b>
<b>Net cash used in financing activities</b>	<b>(2,909)</b>	<b>(2,770)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(18)</b>	<b>(53)</b>
Add: Cash and cash equivalents at the beginning of the period	131	242
<b>Cash and cash equivalents at the end of the period</b>	<b>113</b>	<b>189</b>
<b>Cash and cash equivalents as per above comprises of the following:</b>		
Cash on hand	43	35
Balances with banks	70	154

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

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**Notes (A to C):**

- 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 14 November 2019.
- 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 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. ₹ 9,656 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.
- (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.
- (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 30 September 2019 include trade payables aggregating ₹ 8,650 lakhs, trade receivables aggregating ₹ 40 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.
- 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 ₹ 17 lakhs and ₹ 35 lakhs for the quarter ended 30 September 2019 and half year ended 30 September 2019, respectively (₹ 88 lakhs for the half year ended 30 September 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.
- 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 half ended 30 September 2019 is as follows:

(₹ in lakhs)			
	Quarter ended 30.09.2019 (Erstwhile basis)	Quarter ended 30.09.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	2,241	2,187	54
Finance costs	598	614	(16)
Depreciation and amortisation	596	629	(33)
Profit before tax	656	661	5

(₹ in lakhs)			
	Half year ended 30.09.2019 (Erstwhile basis)	Half year ended 30.09.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	4,362	4,254	108
Finance costs	1,202	1,235	(33)
Depreciation and amortisation	1,004	1,069	(65)
Profit before tax	1,260	1,270	10

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 14 November 2019



*Puneet Khurana*  
Puneet Khurana  
Chairman  
DIN:- 00040489

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Walker ChandioK & Co LLP  
16th Floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Elphinstone (W)  
Mumbai - 400 013  
India

T +91 22 6626 2600  
F +91 22 6626 2601

## 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 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 September 2019 and the consolidated year to date results for the period 01 April 2019 to 30 September 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. Attention is drawn to the fact that the cash flow figures for the corresponding six months period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
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)

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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 the 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 aggregating to ₹ 8,650 lakhs, ₹ 40 lakhs and ₹ 2,297 lakhs respectively, that are outstanding as at 30 September 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 balances / transactions) reflect total assets of ₹ 118,617 lakhs as at 30 September 2019 and total revenues of ₹ 6,910 lakhs and ₹ 15,688 lakhs, total net profit / (loss) after tax of ₹ (788) lakhs and ₹ 2,061 lakhs, total comprehensive income / (loss) of ₹ (1,023) lakhs and ₹ 1,755 lakhs, for the quarter and six months period ended 30 September 2019, respectively, and cash flows (net) of ₹ 142 lakhs for the six months period ended 30 September 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.



**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)**

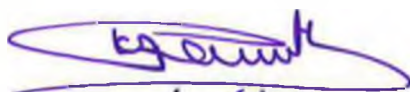
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Further, of these subsidiaries, four subsidiaries are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by 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. 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.

7. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed by their auditors, whose interim financial results (before eliminating inter company balances / transactions) reflect total assets of ₹ 3.489 lakhs as at 30 September 2019 and total revenues of ₹ 746 lakhs and ₹ 1,077 lakhs, net profit / (loss) after tax of ₹ 4 lakhs and ₹ (99) lakhs, total comprehensive income / (loss) of ₹ 4 lakhs and ₹ (99) lakhs for the quarter and six months period ended 30 September 2019, respectively, and cash flows (net) of ₹ 135 lakhs for the six months period ended 30 September 2019, 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 six months period ended 30 September 2019, respectively, 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 Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Khushroo B. Panthaky**  
Partner  
Membership No. 042423

**UDIN No:19042423AAAAFW4400**

**Place:** Mumbai  
**Date:** 14 November 2019

## 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)

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### 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
- EKC Positron Gas Ltd
- Next Gen Cylinder Private Limited

##### Joint Venture

- Kamal EKC International Limited





**A. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2019**

Sr. No.	Particulars	(₹ in lakhs, unless otherwise stated)					
		Quarter ended			Half year ended		Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
	<b>Continuing operations</b>						
I	Revenue from operations	17,914	19,152	17,273	37,066	32,878	70,209
II	Other income	230	104	197	334	567	533
III	<b>Total Income (I + II)</b>	<b>18,144</b>	<b>19,256</b>	<b>17,470</b>	<b>37,400</b>	<b>33,445</b>	<b>70,742</b>
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	8,232	7,792	8,997	18,024	15,971	35,057
	(b) Purchases of stock-in-trade	202	852	685	1,054	1,977	2,308
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,938	1,714	(1,180)	3,650	(2,490)	(968)
	(d) Employee benefits expense	2,084	2,073	1,950	4,157	3,829	7,981
	(e) Finance costs	835	850	851	1,685	1,783	3,562
	(f) Depreciation and amortisation	1,130	966	736	2,098	1,449	3,028
	(g) Other expenses						
	- Power and fuel	937	938	913	1,875	1,751	3,971
	- Others	2,988	2,907	3,104	5,893	6,282	12,873
	<b>Total Expenses</b>	<b>18,342</b>	<b>18,092</b>	<b>18,056</b>	<b>38,434</b>	<b>30,552</b>	<b>87,625</b>
V	<b>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)</b>	<b>(198)</b>	<b>1,164</b>	<b>1,414</b>	<b>966</b>	<b>2,893</b>	<b>3,117</b>
VI	Provision written back / (Provision for doubtful debts)	88	-	(69)	88	(10)	(14)
VII	Foreign exchange variation gain / (loss)	128	103	(772)	231	(878)	733
VIII	<b>Profit / (Loss) before exceptional items, share of profit / (loss) of joint venture and tax (V + VI + VII)</b>	<b>18</b>	<b>1,267</b>	<b>573</b>	<b>1,285</b>	<b>1,907</b>	<b>3,838</b>
IX	Share of profit / (loss) of joint venture	-	-	1	-	(1)	(1)
X	<b>Profit / (Loss) before exceptional items and tax (VIII + IX)</b>	<b>18</b>	<b>1,267</b>	<b>574</b>	<b>1,285</b>	<b>1,906</b>	<b>3,835</b>
XI	Exceptional items gain / (loss) (net) (Refer note 3)	-	-	-	-	-	(1,208)
XII	<b>Profit before tax from continuing operations (X + XI)</b>	<b>18</b>	<b>1,267</b>	<b>574</b>	<b>1,285</b>	<b>1,906</b>	<b>2,627</b>
XIII	<b>Tax (expense) / credit (Refer note 11)</b>						
	Current tax	(31)	(18)	155	(50)	-	(1,022)
	Deferred tax (Refer note 7)	(170)	(192)	32	(382)	32	5,707
XIV	<b>Profit after tax from continuing operations (XII + XIII)</b>	<b>(183)</b>	<b>1,066</b>	<b>781</b>	<b>873</b>	<b>1,938</b>	<b>7,312</b>
	<b>Discontinued Operations (Refer note 9)</b>						
XV	Profit / (Loss) from discontinued operations before tax	(175)	(331)	(1,276)	(508)	(1,386)	(1,470)
XVI	Tax expense of discontinued operations	-	-	-	-	-	-
XVII	<b>Profit / (Loss) from discontinued operations after tax (XV+XVI) (Refer note 9)</b>	<b>(175)</b>	<b>(331)</b>	<b>(1,276)</b>	<b>(508)</b>	<b>(1,386)</b>	<b>(1,470)</b>
XVIII	<b>Profit / (Loss) after tax from total operations (XIV+XVII)</b>	<b>(358)</b>	<b>726</b>	<b>(515)</b>	<b>367</b>	<b>552</b>	<b>5,842</b>
XIX	<b>Other comprehensive income / (loss)</b>						
(i)	Items that will not be reclassified to profit and loss (net of tax)	(235)	(71)	15	(306)	34	(181)
(ii)	Items that will be reclassified to profit and loss (net of tax)	553	385	2,850	918	4,217	1,893
	<b>Total other comprehensive income / (loss) (net of tax) (Refer note 8)</b>	<b>318</b>	<b>294</b>	<b>2,865</b>	<b>612</b>	<b>4,251</b>	<b>1,532</b>
XX	<b>Total Comprehensive Income (XVIII+XIX)</b>	<b>(40)</b>	<b>1,019</b>	<b>2,360</b>	<b>979</b>	<b>4,803</b>	<b>7,374</b>
XXI	<b>Net Profit for the period attributable to :</b>						
	Equity shareholders of the Company	(344)	735	(500)	391	585	5,869
	Non controlling interests	(14)	(10)	(15)	(24)	(13)	(27)
	<b>Total Comprehensive Income attributable to :</b>	<b>(28)</b>	<b>1,029</b>	<b>2,365</b>	<b>1,003</b>	<b>4,816</b>	<b>7,401</b>
	Equity shareholders of the Company	(28)	1,029	2,365	1,003	4,816	7,401
	Non controlling interests	(14)	(10)	(15)	(24)	(13)	(27)
XXII	<b>Paid-up equity share capital (Face Value - ₹ 2 each per share)</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>	<b>2,244</b>
XXIII	<b>Other equity excluding revaluation reserve</b>						<b>49,527</b>
XXIV	<b>Basic and diluted earnings per share (of ₹ 2 each) (not annualised) (in ₹)</b>						
	(i) Continuing operations	(0.15)	0.95	0.89	0.80	1.74	8.54
	(ii) Discontinuing operations	(0.16)	(0.30)	(1.14)	(0.45)	(1.24)	(1.31)
	(iii) Total operations	(0.31)	0.65	(0.45)	0.35	0.50	5.23

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**B. CONSOLIDATED BALANCE SHEET**

(₹ in lakhs)

Particulars	As at	As at
	30 September 2019 (Unaudited)	31 March 2019 (Audited)
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	33,988	32,820
(b) Capital work-in-progress	3,197	1,838
(c) Intangible assets	95	104
(d) Investment accounted for using equity method	-	-
(e) Financial assets		
(i) Investments	279	279
(ii) Loans	461	247
(iii) Other financial assets	24	236
(e) Deferred tax assets (net) (Refer note 7)	5,421	5,714
(f) Current tax assets (net)	17	22
(g) Other non-current assets	234	88
<b>Total of non-current assets</b>	<b>43,716</b>	<b>41,348</b>
<b>2 Current assets</b>		
(a) Inventories	30,001	30,705
(b) Financial assets		
(i) Investments	-	3
(ii) Trade receivables	11,446	12,171
(iii) Cash and cash equivalents	659	832
(iv) Bank balances other than cash and cash equivalents	2,310	2,158
(v) Loans	1,454	1,608
(vi) Other financial assets	319	418
(c) Other current assets	4,648	3,347
<b>Total of current assets</b>	<b>50,837</b>	<b>51,242</b>
Assets classified as held for sale	7,883	9,956
<b>Total Assets</b>	<b>1,02,436</b>	<b>1,02,546</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	2,244	2,244
(b) Other equity	50,365	49,527
<b>Equity attributable to owners</b>	<b>52,609</b>	<b>51,771</b>
Non-controlling interests	(15)	9
<b>Total of equity</b>	<b>52,594</b>	<b>51,780</b>
<b>2 Liabilities</b>		
<b>(i) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	7,641	8,857
(ii) Other financial liabilities	1,709	-
(b) Provisions	2,248	1,782
<b>Total of non-current liabilities</b>	<b>11,598</b>	<b>10,639</b>
<b>(ii) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	17,690	18,121
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	404	363
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,679	5,423
(iii) Other financial liabilities	9,476	9,449
(b) Provisions	315	334
(c) Current tax liabilities (net)	180	143
(d) Other current liabilities	6,174	5,882
<b>Total of current liabilities</b>	<b>37,918</b>	<b>39,715</b>
Liabilities directly associated with assets classified as held for sale	326	412
<b>Total Equity and Liabilities</b>	<b>1,02,436</b>	<b>1,02,546</b>

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**C. CONSOLIDATED CASH FLOW STATEMENT**

	Half year ended 30.09.2019 (Unaudited)	Half year ended 30.09.2018 (Unaudited)
<b>A. Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax from:</b>		
Continuing operations	1,285	1,906
Discontinued operations	(506)	(1,386)
<b>Adjustments for :</b>		
Provision / (Reversal of provision) for sales returns	(5)	3
Share of profit / (loss) of joint venture	-	1
Finance costs	1,685	1,740
Depreciation and amortisation	2,096	1,449
Unrealised foreign exchange variation (gain) / loss	186	34
Excess provision written back *	(0)	(115)
Liabilities no longer required written back	(28)	(80)
Impairment in the value of joint venture	-	7
Interest on financial assets measured at amortised cost	(53)	(136)
Dividend on financial assets measured at fair value through profit and loss *	(0)	(0)
(Profit) / Loss on sale of property, plant and equipment (net)	(210)	23
Bad debts / advances written off	303	133
Sundry balances written off	-	124
<b>Operating profit before working capital changes</b>	<b>4,753</b>	<b>3,703</b>
<b>Adjustment for movements in:</b>		
(Increase) / decrease in trade and other receivables	(384)	(1,680)
(Increase) / decrease in inventories	704	(6,006)
Increase / (decrease) in trade payables, provisions, financial and non-financial liabilities	(1,353)	3,265
<b>Cash generated from / (used in) operating activities</b>	<b>3,720</b>	<b>(718)</b>
Direct taxes paid (net of refunds)	(8)	(26)
<b>Net cash generated from / (used in) operating activities</b>	<b>3,712</b>	<b>(744)</b>
<b>B. Cash flow from investing activities</b>		
<b>Inflow:</b>		
Proceeds from sale of current investments	3	-
Dividend on financial assets measured at fair value through profit and loss *	0	0
Interest on financial assets measured at amortised cost	163	135
Sale proceeds of property, plant and equipment	317	132
Advance received against sale of property, plant and equipment	-	1,328
Fixed deposits matured (net)	61	93
Repayment of inter-corporate deposit	-	171
	<b>544</b>	<b>1,859</b>
<b>Outflow:</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress)	549	1,785
Inter-corporate loans	210	-
	<b>759</b>	<b>1,785</b>
<b>Net cash generated from / (used in) Investing activities</b>	<b>(215)</b>	<b>74</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (repayment) from current borrowings (net)	(431)	3,355
Proceeds / (repayment) from non-current borrowings (net)	(1,899)	(4,232)
Payment of lease obligations	(162)	-
Finance costs paid	(1,685)	(1,740)
<b>Net cash used in financing activities</b>	<b>(4,177)</b>	<b>(2,617)</b>
<b>D. Change in currency fluctuation reserve arising on consolidation</b>	<b>507</b>	<b>2,960</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(173)</b>	<b>(327)</b>
Add: Cash and cash equivalents at the beginning of the period	832	983
<b>Cash and cash equivalents</b>	<b>659</b>	<b>656</b>
<b>Cash and cash equivalents as per above comprises of the following:</b>		
Cash on hand	49	61
Balances with banks	610	595

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



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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;

Tel Numbers: 022 3026 8300/01 Fax: 022 2287 0720: Website : www.everestkanto.com

D. STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 SEPTEMBER 2019

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Quarter ended			Half year ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(₹ In Lakhs)						
<b>1. Segment revenue</b>						
<b>Continuing operations</b>						
a) India	12,254	10,761	11,076	23,015	21,433	46,200
b) U.A.E (Dubai)	3,418	3,845	3,851	7,263	7,689	14,914
c) U.S.A and Hungary	2,927	4,523	3,204	7,450	5,279	11,785
d) Others	746	331	732	1,077	1,142	2,586
<b>Total</b>	<b>19,345</b>	<b>19,460</b>	<b>18,863</b>	<b>38,805</b>	<b>35,523</b>	<b>75,485</b>
Inter segment revenue	1,431	308	1,590	1,739	2,645	5,276
<b>Revenue from continuing operations</b>	<b>17,914</b>	<b>19,162</b>	<b>17,273</b>	<b>37,066</b>	<b>32,878</b>	<b>70,209</b>
<b>Discontinued operations (Refer note 9)</b>						
China	-	-	1	-	54	54
<b>Revenue from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>54</b>	<b>54</b>
<b>2. Segment results</b>						
<b>Continuing operations</b>						
Segment Result (before foreign exchange variation gain / (loss), finance costs and tax):						
a) India	1,383	1,076	1,749	2,459	3,466	5,035
b) U.A.E (Dubai)	249	301	708	550	1,332	1,414
c) U.S.A and Hungary	(789)	564	(353)	(225)	(211)	(1,262)
d) Others	25	(40)	21	(15)	(52)	(10)
<b>Total</b>	<b>868</b>	<b>1,901</b>	<b>2,125</b>	<b>2,769</b>	<b>4,635</b>	<b>5,177</b>
Unallocable income / (expenses) (net)	(177)	79	72	(98)	130	279
Foreign exchange variation gain / (loss)	128	103	(772)	231	(976)	733
Finance costs	801	816	851	1,817	1,783	3,562
<b>Profit before tax from continuing operations</b>	<b>18</b>	<b>1,267</b>	<b>574</b>	<b>1,285</b>	<b>1,906</b>	<b>2,627</b>
<b>Discontinued operations (Refer note 9)</b>						
China	(175)	(331)	(1,278)	(506)	(1,388)	(1,470)
<b>Profit / (Loss) from discontinued operations before tax</b>	<b>(175)</b>	<b>(331)</b>	<b>(1,276)</b>	<b>(506)</b>	<b>(1,388)</b>	<b>(1,470)</b>
<b>3. Segment assets</b>						
<b>Continuing operations</b>						
a) India	45,896	46,576	46,214	45,896	46,214	45,810
b) U.A.E (Dubai)	16,204	16,509	16,737	16,204	16,737	14,827
c) U.S.A and Hungary	22,592	23,364	24,861	22,592	24,861	22,841
d) Others	1,303	870	619	1,303	619	859
<b>Total</b>	<b>85,995</b>	<b>87,319</b>	<b>88,431</b>	<b>85,995</b>	<b>88,431</b>	<b>83,937</b>
Unallocated assets	9,580	9,849	4,956	9,580	4,956	9,909
<b>Total segment assets - continuing operations (I)</b>	<b>95,575</b>	<b>97,168</b>	<b>93,387</b>	<b>95,575</b>	<b>93,387</b>	<b>93,846</b>
<b>Discontinued operations (Refer note 9)</b>						
China	6,861	8,120	8,816	6,861	8,816	8,700
<b>Total segment assets - discontinued operations (II)</b>	<b>6,861</b>	<b>8,120</b>	<b>8,816</b>	<b>6,861</b>	<b>8,816</b>	<b>8,700</b>
<b>Total segment assets (I+II)</b>	<b>1,02,436</b>	<b>1,05,288</b>	<b>1,02,203</b>	<b>1,02,436</b>	<b>1,02,203</b>	<b>1,02,546</b>
<b>4. Segment liabilities</b>						
a) India	8,228	8,364	7,376	8,228	7,376	7,989
b) U.A.E (Dubai)	1,436	2,420	1,948	1,436	1,948	2,177
c) U.S.A and Hungary	6,124	5,966	6,360	6,124	6,360	6,285
d) Others	288	325	53	288	53	236
<b>Total</b>	<b>16,074</b>	<b>17,075</b>	<b>15,737</b>	<b>16,074</b>	<b>15,737</b>	<b>16,697</b>
Add: Unallocated	33,442	35,219	36,854	33,442	36,854	33,657
<b>Total segment liabilities - continuing operations (III)</b>	<b>49,516</b>	<b>52,294</b>	<b>52,591</b>	<b>49,516</b>	<b>52,591</b>	<b>50,354</b>
<b>Discontinued operations (Refer note 9)</b>						
China	326	360	403	326	403	412
<b>Total segment liabilities - discontinued operations (IV)</b>	<b>326</b>	<b>360</b>	<b>403</b>	<b>326</b>	<b>403</b>	<b>412</b>
<b>Total segment liabilities (III+IV)</b>	<b>49,842</b>	<b>52,654</b>	<b>52,994</b>	<b>49,842</b>	<b>52,994</b>	<b>50,766</b>

AB



**Notes (A to D):**

- † The above results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2019.
- 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 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 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.
- 5 The outstanding balances of the Holding Company as at 30 September 2019 include trade payables aggregating ₹ 8,650 lakhs, trade receivables aggregating ₹ 40 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 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.
- 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 half ended 30 September 2019 is as follows:

	Quarter ended 30.09.2019 (Erstwhile basis)	Quarter ended 30.09.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit	Half year ended 30.09.2019 (Erstwhile basis)	Half year ended 30.09.2019 (Post adoption of Ind AS 116)	Increase/ (Decrease) in Profit
Other expenses	4,038	3,923	115	7,996	7,768	228
Finance costs	801	835	(34)	1,617	1,685	(68)
Depreciation and amortisation	1,047	1,130	(83)	1,933	2,096	(163)
Profit before tax from continuing operations	20	18	(2)	1,288	1,285	(3)

Place : Mumbai  
Date : 14 November 2019



For and on behalf of the Board of Directors

Pushkar Khurana  
Chairman  
DIN:- 00040489

