

September 28, 2017

To,

BSE LIMITED

P.J. Towers,
Dalal Street,
Mumbai - 400 001.

BSE Scrip code:
532684

**National Stock
Exchange of India
Limited**

Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

NSE Symbol: EKC
NSE Series: EQ

**EVEREST
KANTO
CYLINDER
LIMITED**

**Manufacturers
of High Pressure
Seamless
Gas Cylinders**

Sub: Submission of Annual Report for the Financial Year ended 2016-17

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year ended 2016-17 duly approved by the members at the 38th Annual General Meeting of the Company held on Wednesday, September 27, 2017.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For **Everest Kanto Cylinder Limited**

Alok Bodas

Alok Bodas

Company Secretary & Compliance Officer



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

CIN L29200MH1978PLC020434

Tel. : +91-22-3026 8300 / 01

Fax : +91-22-2287 0720

Website : www.everstkanto.com





EVEREST KANTO CYLINDER LIMITED

Clean Energy Solution Company

The background of the entire page is a collage of industrial images. It includes a large white industrial cylinder at the top, a glowing orange torus-shaped object on the left, a green industrial machine in the center, and a glowing orange torus-shaped object on the right. Overlaid on these images are several large, semi-transparent arrows in various colors (green, white, red, blue, yellow) pointing in different directions, creating a sense of movement and acceleration.

ACCELERATE TOWARDS
GROWTH

ANNUAL REPORT

2016 - 17

Forefront in TECHNOLOGY

Established in 1978 Everest Kanto Cylinder Limited (EKC) has grown rapidly to become the pioneering manufacturer and solution providers for high pressure storage of gases. The expanding range of cylinders manufactured by EKC have earned a global reputation for their high standard of quality & compliance to the most stringent specifications laid down by international bodies and local authorities.

EKC has established plants globally located in India, UAE, China & USA having a total production capacity to manufacture over two million cylinders every year with the widest range of cylinders from 1 to 3000 litres, devotion to quality & flexibility makes EKC a global supplier of High Pressure cylinders including Large Vessels for bulk transportation of gases.

In addition to we also manufacture High Pressure Seamless Cylinders for industrial gases and CNG applications, Large Diameter High Pressure Seamless Vessels, Large Seamless Cylinders, Jumbo Cylinders and Jumbo Skids for the storage and bulk transportation of CNG and various other Industrial and Specialty Gasses like Hydrogen, Nitrogen, Helium, Argon etc. EKC today is the largest producer and industry leader of CNG cylinders in Asia.

Domestic and international markets include aerospace, chemical processing, construction, food production, industrial controls, medicine, nuclear and power propulsion systems, oil and gas exploration and production, rescue equipment, transportation and under sea exploration and most important, CNG Mother and Daughter stations and CNG City Gas projects. The Jumbo Skids that transport CNG provide an ideal solution for stranded gas by acting as a virtual gas pipeline between the source and destination. The Jumbo Cylinders incorporated into ISO Skids are ideal for long distance transportation of Special Gasses. In addition to the above we can also provide tailor made solutions to suit the transportation regulations of the country of use.

In all these applications, EKC engineers work in tandem with the design and research departments of our customers and the material development center of the raw material suppliers for developing the most efficient and advanced technical solutions. Quality is built in all EKC products right from the design stage. Our cylinders are produced from High grade alloy steel that are produced to meet strict tolerances and material specifications as per regulatory compliances. Each passes through ISO: 9001 defined quality systems and relevant inspection tests such as Metallographic Analysis, Hydraulic Test, Cyclic Loading Test, Magnetic Particle Test, Ultrasonic Test, and Leakage test. Strict Quality control processes are monitored by the regulatory authority or independent inspection agency as defined by the customer.



BOARD OF DIRECTORS**Chairman & Managing Director**

Mr. P.K. Khurana

Executive Director

Mr. Puneet Khurana (Till February 09, 2017)

Non-Executive Director

Mr. Pushkar Khurana

Independent Directors

Mr. Naresh Oberoi (Till August 20, 2016)

Mr. Mohan Jayakar

Mr. M. N. Sudhindra Rao

Mrs. Uma Acharya

CHIEF EXECUTIVE OFFICER

Mr. Puneet Khurana (w.e.f. February 10, 2017)

CHIEF FINANCIAL OFFICER

Mr. Kishore Thakkar

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bhagyashree Kanekar (Till November 14, 2016)

Mr. Alok Bodas (w.e.f. February 09, 2017)

BANKERS TO THE COMPANY

State Bank of Hyderabad (State Bank of India)

ICICI Bank Ltd.

Yes Bank Ltd.

EXIM Bank

STATUTORY AUDITORS

M/s Walker Chandio & Co LLP,
Chartered Accountants, Mumbai
(Formerly Walker, Chandio & Co.)

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai - 400 083
Tel. : (022) 4918 6000
Fax. : (022) 4918 6060
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BOARD COMMITTEES**Audit Committee**

Mr. Sudhindra Rao (Chairman)

Mr. Mohan Jayakar

Mrs. Uma Acharya

Mr. P.K. Khurana

Mr. Puneet Khurana (Till February 09, 2017)

Stakeholders' Relationship Committee

Mr. Mohan Jayakar (Chairman)

Mr. Sudhindra Rao

Mrs. Uma Acharya

Mr. P. K. Khurana

Mr. Puneet Khurana (Till February 09, 2017)

Nomination & Remuneration Committee

Mr. Mohan Jayakar (Chairman)

Mr. Naresh Oberoi (Till August 20, 2016)

Mr. Sudhindra Rao

Mr. P.K. Khurana

Mrs. Uma Acharya

Share Allotment Committee

Mr. Sudhindra Rao (Chairman)

Mr. Mohan Jayakar

Mr. P. K. Khurana

REGISTERED OFFICE

204, Raheja Centre,
Free Press Journal Marg,
214, Nariman Point,
Mumbai – 400 021.
Tel.: 91 22 3026 8300 - 01
Fax: 91 22 2287 0720
E-mail: investors@ekc.in
Website: www.everestkanto.com

38th Annual General Meeting held on Wednesday, September 27, 2017 at 11:00 a.m., at M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

The Annual Report can be accessed at www.everestkanto.com

CONTENTS	Page No.
Notice	01
Directors' Report	06
Management Discussion & Analysis	34
Report on Corporate Governance	39
Annual Certifications	53
Independent Auditor's Report	54
Balance Sheet	61
Statement of Profit and Loss	62
Cash Flow Statement	63
Notes Forming Part of Financial Statements	65
Independent Auditor's Report on Consolidated Financial Statements	88
Consolidated Balance Sheet	93
Consolidated Statement of Profit and Loss	94
Consolidated Cash Flow Statement	95
Notes Forming Part of Consolidated Financial Statements	97

AGM NOTICE

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Members of EVEREST KANTO CYLINDER LIMITED will be held at M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 on Wednesday, September 27, 2017, at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2017, and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and of the Auditors thereon.
2. To appoint a Director in place of Mr. Pushkar Khurana (DIN: 00040489) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants, as the Statutory Auditors for the Financial Year 2017-18 and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board and approval of the Members at the Annual General Meeting held on August 02, 2014, the appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants, (Firm Registration Number 001076N) as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company, be and is hereby ratified and confirmed."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of ₹ 225,000 plus Service Tax and Out-Of-Pocket Expenses of Mr. Vinayak B. Kulkarni, Cost Accountant, (Membership No. 28559), appointed by the Board of Directors as the Cost Auditors of the Company for the financial year 2017-18, fixed by the Board of Directors on the recommendation of the Audit Committee, be and is hereby ratified and confirmed."

By Order of the Board of Directors

P. K. Khurana
Chairman and Managing Director
DIN: 00004050

Mumbai
 May 30, 2017

Registered Office

204, Raheja Centre, Free Press Journal Marg,
 214, Nariman Point, Mumbai - 400 021.
 CIN: L29200MH1978PLC020434
 Tel.: 91 22 3026 8300 - 01. Fax: 91 22 2287 0720
 Email: investors@ekc.in. Website: www.everestkanto.com

NOTES:

- (a) The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive) for the purpose of the Annual General Meeting.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is

proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- (c) Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

- (d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses set out above is annexed here to.
- (e) Details Under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking re-appointment at the Annual General Meeting form integral part of the Notice and the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
- (f) The Notice of the 38th Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form and the copies of the Annual Report for 2016-17, is being sent by electronic mode to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.
- (g) Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@ekc.in.
- (h) The Notice of the 38th Annual General Meeting and the Annual Report will be available on the website of the Company www.everestkanto.com.
- (i) All the documents referred to in this Notice, as well as the Notice and the Annual Report, will be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days up to the date of the Annual General Meeting.
- (j) Members who have so far not encashed dividend warrant(s) for the Financial Year(s) 2009-10, 2010-11, 2011-12 and 2012-13 are requested to write to the Company's Registrar and Transfer Agent, Link Intime India Private Limited, immediately. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
- (k) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository

Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

The Company also requests you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other communications via email.

- (l) The businesses as set out in the Notice may be transacted through electronic voting system under Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014. The Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.
- (m) The voting through electronic means will commence on Sunday, September 24, 2017 at 09:00 a.m. and will end on Tuesday, September 26, 2017 at 05:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above.
- (n) The Company has appointed Mr. Aashish K. Bhatt, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- (o) The instructions for shareholders voting electronically under remote e-votingsystem are as under:
 - (A) In case of members receiving e-mail:
 - (i) The voting period begins on Sunday, September 24, 2017 at 09:00 a.m. and will end on Tuesday, September 26, 2017 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 20, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended

not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Everest Kanto Cylinder Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- Please follow all the steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (C) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 20, 2017, may vote electronically or physically in the same manner as prescribed above in sl. no. (i) to sl. no. (xx).**
- (p) The Voting Rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the date cut off date of September 20, 2017.
- (q) Members have an option to vote either through remote e-voting system or casting a vote at the Meeting. If a Member has opted for e-voting, then he/she should not cast his vote at the Meeting.
- (r) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (s) The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.everestkanto.com and on the website of CDSL

By Order of the Board of Directors

P. K. Khurana
Chairman and Managing Director
DIN: 00004050

Mumbai
May 30, 2017

Registered Office
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021.
CIN: L29200MH1978PLC020434
Tel.: 91 22 3026 8300 - 01
Fax: 91 22 2287 0720
Email: investors@ekc.in
Website: www.everestkanto.com



Route Map to the AGM Venue

ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

Name of Director	Mr. Pushkar Khurana
Date of Birth	17-07-1972
Age	45 Years
Nationality	Indian
Date of Appointment on the Board	12-09-1994
Qualifications	B.com, MBA in Business Management
Experience	23 years
Expertise in specific functional area	Expertise in Business expansion and Diversification Internationally
Number of shares held in the Company (as on March 31, 2017)	75,03,973
List of Directorships held in other Companies*	<ol style="list-style-type: none"> 1. Calcutta Compressions & Liquefaction Engineering Limited. 2. Everest Industrial Gases Private Limited 3. Everest Kanto Investment & Finance Pvt. Ltd. 4. G.N.M. Realtors Pvt. Ltd. 5. Khurana Gases Pvt. Ltd. 6. Khurana Fabrication Industries Pvt. Ltd. 7. Ukay Valves & Founders Pvt. Ltd 8. EKC Positron Gas Limited 9. EKC Industries (Thailand) Company Limited 10. EKC International FZE 11. EKC Europe GmbH 12. Kamal EKC Industries Ltd.
Chairman / Member in Committees of Board of companies in which he / she is a Director*	None

As regards Item No. 4:

The Board of Directors has, on recommendation of the Audit Committee, appointed Mr. Vinayak B. Kulkarni, Cost Accountant [Membership No. 28559], as the Cost Auditor of the Company for the financial year 2017-18 at their meeting held on February 09, 2017 and has also, on recommendation of the Audit Committee, fixed their remuneration.

Rule 14 of the Companies (Audit and Auditors) Rules, 2014 provides that the Cost Auditor shall be appointed by the Board of Directors on the recommendation of the Audit Committee who shall also recommend his remuneration. The remuneration recommended by the Audit Committee shall be considered and approved by the Board and shall be ratified subsequently by the shareholders.

The Directors recommend the resolution at Item No. 4 of the Notice for the approval by the members of the Company by way of ordinary Resolution.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Important Communication to Members

Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs (vide Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011) has allowed companies to share documents with its shareholders through electronic mode as part of the green initiative in corporate governance.

To support this Green initiative in full measures, we hereby propose to send all communications/documents to the email address provided by you with your depository. We request you to update your email address with your depository participant to ensure that the communications/documents reach you on your preferred email address.

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the 38th Annual Report and the Audited Accounts for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2017 is summarized below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Sales	26,526.44	18,713.98	58,849.62	52,180.10
Less: Excise Duty	2485.69	1,795.41	2,485.69	1,795.41
Total Sales	24,040.75	16,918.57	56,363.93	50,384.69
Profit/(Loss) before Finance Charges, Depreciation, Provision for Doubtful Debts, Foreign Exchange Variation (net), Exceptional Items and Tax	4,369.14	(1,311.51)	7,171.66	1,436.77
Less:				
- Finance Charges	3,602.06	4,716.44	4,452.69	5,351.40
- Depreciation	1,475.08	1,695.08	4,335.81	7,153.00
Profit/(Loss) before Foreign Exchange Variation, Exceptional Items & Taxation	(708.00)	(7,723.03)	(1,616.84)	(11,067.63)
(Provision)/Recoveries for Doubtful Debts	(24.55)	(327.18)	294.83	155.33
Foreign Exchange Variation – Gain/(Loss)	385.65	(405.81)	(364.55)	(952.80)
Profit/(Loss) before Exceptional Items and Taxation	(346.90)	(8,456.02)	(1,686.56)	(11,865.10)
Exceptional Items - Gain/(Loss)	7,527.19	(2,934.42)	9,571.06	(408.39)
Profit/(Loss) before Tax	7,180.29	(11,390.44)	7,884.50	(12,273.49)
(Less)/Add: Provision for Taxation				
- Current Tax	-	-	15.30	15.94
- Deferred Tax	-	-	-	13.75
Profit/(Loss) for the year	7,180.29	(11,390.44)	7,869.20	(12,303.18)
Less: Prior period adjustments and Tax adjustments of earlier years (net)	-	105.68	-	105.68
Minority Interest	-	-	-	-
Net Profit/(Loss)	7,180.29	(11,496.12)	7,869.20	(12,408.86)
Transitional adjustment on account of Schedule II to Companies Act, 2013	-	(4.55)	-	(4.55)
Balance Brought Forward from Previous Years	(27,880.71)	(16,380.04)	(16,300.87)	(3,887.46)
Balance Available for Appropriation	(20,700.42)	(27,880.71)	(8,431.67)	(16,300.87)
Appropriations:				
Proposed Dividend	-	-	-	-
Provision for Dividend Tax	-	-	-	-
Transfer to Reserves	-	-	-	-
Balance Carried Forward	(20,700.42)	(27,880.71)	(8,431.67)	(16,300.87)
Basic and Diluted Earnings Per Share of ₹ 2 each	6.40	(10.73)	7.01	(11.58)

PERFORMANCE REVIEW

During the financial year 2016-17, the Company saw the upward trend in the sales compared to sales in the previous year. The Company has encountered an increase in demand towards end of the financial year, due to CNG cylinders requirements in Northern India for controlling the pollution due to recent ruling by Supreme Court for not registering Diesel Vehicles. Further due to decrease in debt capital, the Company was able to reduce the burden of financial cost which has resulted in improvement in profits. During the year Company has sold its land and building located in Gandhidham, Gujarat and the proceedings received from the sale has been accounted in the financials for 2016-17.

On standalone basis, for the financial year 2016-17, revenues at ₹ 26,526.44 Lakhs were higher by around 41% over the previous year's revenues of ₹ 18,713.98 Lakhs and Net Profit at ₹ 7,180.29 Lakhs against Net Loss of ₹ 11,496.12 Lakhs in the previous year. The Net Profit for the financial year 2016-17 includes provision of ₹ 2,826.47 Lakhs as against previous year's provision of ₹ 1,980.00 made in respect of the value of the investments in two subsidiary companies.

On consolidated basis, the Company manufactured 530,048 units as compared to 473,575 units in the financial year 2015-16. During the said period the Company sold 493,225 units as compared 445,336 units in the previous financial year. Revenues for financial year 2016-17 at ₹ 58,849.62 Lakhs were higher by around 12.78% over the previous year's revenues of ₹ 52,180.10 Lakh and Net profit at ₹ 7863.20 Lakhs compared to Net Loss of ₹ 12,408.86 Lakhs in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129 of Companies Act, 2013 and the Accounting Standard AS-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statements are provided in the Annual Report. As a significant part of the Company's business is conducted through its subsidiaries, the Directors believe that the consolidated accounts provide a more accurate representation of the performance of the Company.

SHARE CAPITAL STRUCTURE

The Paid Up Share Capital of the Company is ₹ 22.44 Crore divided into 11,22,07,682 Equity Shares of ₹ 2/- each.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has adequate internal financial control system commensurate with the size, scale and complexity of its operations. The Company has in place a mechanism to identify,

assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigation action on continuing basis. These are routinely tested and certified by Statutory as well as Internal Auditors. The Audit observations on internal financial controls are periodically reported to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2016-17, as stipulated under Regulation 34(2)(e) of the SEBI(Listing obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

DETAILS OF FRAUD REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR

The Company during the year 2016-17 sold Companies Land and Building along with electric installations attached to such land and building situated at Gandhidham, Gujarat to SNF Flopam India Private Limited, for the consideration of USD 29 Million (approx. ₹ 194 crore). Company sought members approval via Postal Ballot by passing Special Resolution on September 17, 2016 for the sale of aforesaid land and building of the Company.

DIVIDEND

The Directors have not proposed any dividend for the financial year 2016-17 in view of the absence of accumulated profits.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to reserves.

CREDIT RATING FROM CARE RATINGS

In respect of the borrowings of the Company, CARE Ratings has, during the year, downgraded the Long Term and Short Term ratings, as under:

Sr. No.	Facility	Amount (₹ in Crore)	Rating	Remarks
1	Long Term Fund Bank Facilities-Yes Bank (Term Loan)	206.96	CARE B [Single B]	Revised from CARE D (Single D)
2	Long Term Bank Facilities-EXIM Bank Term Loan	32.09	CARE B [Single B]	Revised from CARE C (Single C)
3	Long Term Fund based Bank Facilities-Cash Credit	81.00	CARE B [Single B]	Revised from CARE C (Single C)
4	Short Term Bank Facilities (non fund based)	44.92	CARE A4 [A Four]	Reaffirmed
Total		364.97 (Three Hundred Sixty Four Crore & Ninety Seven Lakhs only)		

DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013

The Company has not accepted any Deposits from the public within the ambit of Section 23 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans given, guarantees provided and investments made have been duly disclosed in the financial statement

MATERIAL CHANGES AND COMMITMENTS

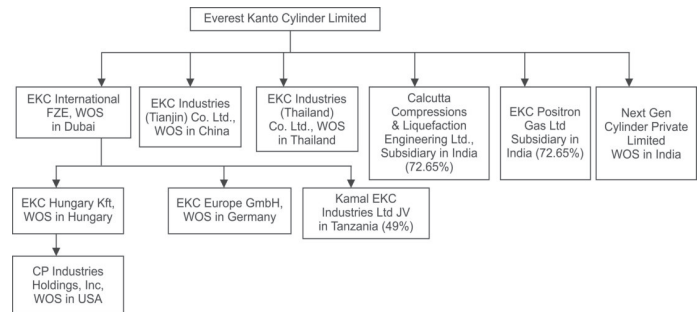
There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the Report.

SUBSIDIARIES

As on 31st March, 2017, the Company had (a) three wholly owned overseas subsidiary companies, viz., EKC International FZE in Dubai, UAE, EKC Industries (Tianjin) Co. Ltd. in China and EKC Industries (Thailand) Co. Ltd. in Thailand, (b) three step down wholly owned overseas subsidiary companies, viz. EKC Hungary Kft in Hungary, CP Industries Holdings, Inc. in USA, EKC Europe GmbH in Germany and (c) One Joint Venture Company in Tanzania, viz, Kamal EKC industries Ltd (d) Two Indian subsidiary Companies viz., Calcutta Compressions & Liquefaction Engineering Ltd., and EKC Positron Gas Ltd. and one wholly owned Indian subsidiary Company, viz., Next gen Cylinder Private Limited.

During the year Company has formed new wholly owned subsidiary Company as Next gen Cylinder Private Limited.

The Current Corporate Structure is as under:



As provided for in section 129(3) of Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed Form AOC-1 is attached to the financial statements of the Company. The financial statements and the related information of the subsidiaries will be made available to any shareholder of the Company and of the subsidiaries who may be interested in obtaining the same at any point of time, and are also available at the registered offices of the Company and the subsidiary companies for inspection by any shareholder of the Company and of the subsidiaries. The Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

The financial results of the Subsidiary Companies are uploaded on the website of the Company and the weblink thereto is <http://www.everestkanto.com/subsidiaries.aspx>

DIRECTORS AND KEY MANAGERIAL PERSONNEL RETIREMENT BY ROTATION

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Mr. Pushkar Khurana (DIN 00040489) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

CESSATION OF INDEPENDENT DIRECTOR

Mr. Naresh Oberoi has resigned as the Independent Director of the Company w.e.f. August 20, 2016 due to personal reasons.

APPOINTMENT OF KMP

Mr. Puneet Khurana has been appointed as the Chief Executive Officer of the Company under Section 203(2) of the Companies Act, 2013 w.e.f. February 10, 2017. Mr. Puneet Khurana is a Commerce graduate from Mumbai University and has done Masters in Business Administration (International Business) from European University, Montreux, Switzerland. He has relevant experience in field of marketing and has significantly contributed in exploring international markets.

Mr. Alok Bodas has been appointed as the Company Secretary and Compliance Officer of the Company under Section 203(2) of the Companies Act, 2013 w.e.f. February 09, 2017. Mr. Alok Bodas, is an Associate Member of the Institute of Company Secretaries

of India and possesses requisite qualification under Companies (Appointment and Qualification of Secretary) Rules, 1988.

CESSATION OF KMP

Ms. Bhagyashree Kanekar, has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. November 14, 2016.

INDEPENDENT DIRECTOR DECLARATION

All the Independent Directors have submitted their declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an independent director during the year.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

NUMBER OF BOARD MEETINGS DURING THE YEAR

During the year, five meetings of the Board of Directors were held on May 30, 2016, July 29, 2016, August 11, 2016, November 14, 2016 and February 09, 2017.

NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated "Nomination and Remuneration Policy" containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of Companies Act, 2013 for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy is attached as Annexure 5 to this report and is available on the Company's website and the web link thereto is <http://www.everestkanto.com/policies.html>.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations'). The Company evaluated performance of the Board on the basis of criteria(s) such as the board composition and structure,

effectiveness of board processes, information and functioning, etc. as mentioned in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departure;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2017 and of the profit and loss of the company for the period ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDIT COMMITTEE

The details pertaining to composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

AUDITORS**a) Statutory Auditors**

In accordance with the provisions of Section 139(2) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 35th Annual General Meeting held on August 02, 2014 had appointed M/s. Walker Chandio & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for one term of five years to hold office from the conclusion of aforesaid Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2018, subject to ratification by the shareholders at every Annual General Meeting. Accordingly, their appointment will be put up for ratification by the shareholders at the ensuing Annual General Meeting.

b) Branch Auditors

The Board of Directors of the Company at their Meeting held on May 30, 2017 re-appointed M/s. Arun Arora & Co., Chartered Accountants Branch Auditors of the Company for financial year 2017-18. The Company has received a letter from M/s. Arun Arora & Co. to the effect that their re-appointment, if made, for the financial year 2017-18, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

c) Cost Auditors

The Board of Directors has appointed Mr. Vinayak B. Kulkarni, Cost Accountant, (Membership No. 28559) as the Cost Auditor under section 148 of the Companies Act, 2013, for conducting audit of cost records for the financial year 2016-17. The Cost Auditor will submit his Report to the Board for its review and examination, which will then be filed with the Central Government within the prescribed time.

On the recommendation of the Audit Committee, the Board of Directors has appointed M/s. V R & Associates, Cost Accountant, (Firm Registration No. 000516) as the Cost Auditor of the Company for the financial year 2016-17 on a remuneration of ₹ 1,50,000/- recommended by the Audit Committee and as required under the Act, the remuneration was ratified by the members at the Annual General Meeting held on September 26, 2016.

d) Secretarial Auditor

The Board of Directors has appointed Aashish K. Bhatt & Associates, Practicing Company Secretaries, as the Secretarial Auditor under section 204 of the Companies Act, 2013, for conducting Secretarial Audit for the financial year 2016-17. The Report of the Secretarial Auditor forms part of this Report as Annexure 1. There is one adverse remarks in the Secretarial Audit Report.

STATUTORY AUDITOR'S QUALIFICATIONS' EXPLANATION

As regards to the qualification by the Auditors in their Report on the Standalone Accounts with respect to the Investment by way of share capital of ₹ 6,925.07 Lakhs in EKC Industries (Tianjin) Company Limited, a wholly owned subsidiary based in China, the Company is of the considered view, based on the assessment of the relevant factors, such as, the long term nature of the investment, future business prospects in the markets in which EKC Industries (Tianjin) Company Limited operates, expected appreciation in the fair value of the assets of EKC Industries (Tianjin) Company Limited, etc., that no provision for the diminution in the value of the Investment is required. However, on a conservative basis, an aggregate amount of ₹ 5,500 Lakhs (including ₹ 3,500 Lakhs upto 31 March 2016) has been provided towards such diminution and has been disclosed as an 'Exceptional Item' in the financial results.

As regards to the qualification by the Auditors in their Report on the Consolidated Accounts in respect to Short term loans and advances and other current assets include an amount of ₹ 1,724 Lakhs (₹ 1,724 Lakhs as at 31 March, 2016) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruiti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruiti City Limited), the Company is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present. The Management does not expect any loss since the outstanding amount is sufficiently secured by way of mortgage of property.

SECRETARIAL AUDITOR'S QUALIFICATION'S EXPLANATION

The Company has executed Shareholders' Agreement with Brightwill Limited and TVG India Investment Holdings Limited (hereinafter referred to as "the erstwhile shareholders") on November 02, 2006 and November 19, 2007 respectively. The clauses of the aforesaid agreement have been incorporated in the Articles of Association of the Company as per the requirement of the said agreements.

The erstwhile shareholders have gradually sold their entire holdings and hence the aforesaid Shareholders' Agreement stands redundant. Further, on the redundancy of such agreement, one of the Promoters of the Company has entered into the business of Fire Fighting Equipments.

However the Company is yet to alter the Articles of Association for removal of the clauses pertaining to the erstwhile shareholders and hence the Secretarial Auditor has mentioned the same in his report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013, are provided in Annexure 2 to this Report.

TRANSACTIONS WITH RELATED PARTIES

None of the transactions with the related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on the transactions with the related parties under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 3 in Form AOC-2 and forms the part of this Report.

All compliances with Related Party Transactions as provided in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with.

The Policy on Related Party Transactions framed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on Company's website and web link thereto is <http://www.everestkanto.com/policies.html>.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining the highest standards of Corporate Governance and places high emphasis on business ethics. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance and the Certificate from a practicing Company Secretary on the Report as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of the Annual Report.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company.

CORPORATE SOCIAL RESPONSIBILITY

As the provisions of section 135 of Companies Act, 2013 dealing with Corporate Social Responsibility are not applicable to the Company during the financial year, the Company has not laid down any policy on Corporate Social Responsibility.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return of the Company in the prescribed Form MGT-9 is attached to the Report as Annexure 4.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are as under:

(a) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Name of Directors	Designation	Remuneration of Directors*	Median remuneration of Employees	Ratio to median remuneration
Mr. P.K. Khurana	Chairman & Managing Director	Nil	2,13,395	-
Mr. Pushkar Khurana	Non-Executive Director	Nil	2,13,395	-
Mr. Puneet Khurana (Till February 09, 2017)**	Executive Director	Nil	2,13,395	-
Mr. Mohan Jayakar	Independent Director	1,40,000	2,13,395	0.65
Mr. Naresh Oberoi (Till August 20, 2016)***	Independent Director	70,000	2,13,395	0.33
Mr. Sudhindra Rao	Independent Director	1,80,000	2,13,395	0.84
Ms. Uma Acharya	Independent Director	1,40,000	2,13,395	0.65

* Remuneration to directors during the financial year (and also in the previous financial year) comprises solely of sitting fees for attending the meetings of Board of Directors and of the Committees thereof

** Mr. Puneet Khurana has resigned as Executive Director of the Company, w.e.f February 10, 2017

*** Mr. Naresh Oberoi has resigned as Director of the Company on August 20, 2016.

(b) Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2016-17:

Director, Chief Financial Officer, Chief Executive Officer and Company Secretary	Designation	% increase in remuneration in financial year
Mr. P.K. Khurana	Chairman & Managing Director	0.00
Mr. Pushkar Khurana	Non-Executive Director	0.00
Mr. Puneet Khurana (Till February 09,2016)	Executive Director	0.00
Mr. Mohan Jayakar	Independent Director	0.00
Mr. Naresh Oberoi (Till August 20,2016)	Independent Director	(46.15)
Mr. Sudhindra Rao	Independent Director	63.63
Ms. Uma Acharya	Independent Director	40.00
Mr. Kishore Thakkar	Chief Financial Officer	0.00
Ms. Bhagyashree Kanekar (Till November 14,2016)	Company Secretary	0.00
Mr. Puneet Khurana (w.e.f. February 10,2017)	Chief Executive Officer	0.00
Mr. Alok Bodas (w.e.f. February 09,2017)	Company Secretary	0.00

(c) Percentage increase in the median remuneration of employees in the financial year 2016-17: 6.09%

(d) Number of permanent employees on the rolls of Company: 595

(e) Explanation on the relationship between average increase in remuneration and Company performance:

Particulars	Amount
Increase in Remuneration in Financial Year 2016-17 (₹ in Lakhs)	109.13
Increase / (Decrease) in Revenue (₹ in Lakhs)	7598.4
Increase in Remuneration as % of Increase / (Decrease) in Revenue	1.44%
Increase / (Decrease) in Profit before tax (PBT) (in ₹)	4210.15
Increase in Remuneration as % of Increase / (Decrease) in PBT	2.59

(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Amount
Aggregate remuneration of Key Managerial Personnel (KMP) in financial year 2016-17	41.38
Revenue	25,100.35
Remuneration of KMP (as % of revenue)	0.16
Profit before tax (PBT)	7180.29
Remuneration of KMP (as % of PBT)	0.58

* In the view of negative profit before tax (PBT)

(g) Variation in the Market Capitalization of the Company and Price Earning Ratio (₹ in Lakhs)

Particulars	At the beginning of the year – April 1, 2016	At the end of the year – March 31, 2017
Market Capitalization		
NSE (₹ in Lakhs)	18794.79	41292.43
BSE (₹ in Lakhs)	18817.23	41180.22
Price Earning Ratio	*Not Meaningful	5.74

* As the EPS of the Company is negative at the beginning of the financial year ended March 31, 2017, the Price Earning Ratio of the Company at the beginning can not be ascertained.

(h) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Particulars	March 31, 2017	IPO*	Adjusted IPO**	% Change
Market Price (NSE)	₹ 36.70	₹ 160	₹ 32	14.68
Market Price (BSE)	₹ 36.80	₹ 160	₹ 32	15.00

* Face value of ₹ 10/- per share.

** Face value of ₹ 2/- per share after share split.

(i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2016-17 is 13.88% whereas there is percentile decrease in the managerial remuneration during the year by 18.47%.

* The managerial remuneration comprises solely of the sitting fees paid to the Directors for attending the meeting of the Board of Directors and of the Committees thereof.

(j) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company

	Mr. P.K. Khurana, Managing Director	Mr. Puneet Khurana, Chief Executive Officer	Mr. Kishore Thakkar, Chief Financial Officer	Ms. Bhagyashree Kanekar, Company Secretary	Mr. Alok Bodas Company Secretary
Remuneration in FY 2016-17 (₹ in Lakhs)	Nil	12.00 (Appointed W.e.f February 10, 2017)	27.00	04.04 (Till November 14, 2016)	0.87 (Appointed w.e.f February 09, 2017)
Revenue (in ₹ in Lakhs)	25,100.35	25,100.35	25,100.35	25,100.35	25,100.35
Remuneration as % of revenue	-	0.05	0.11	0.02	0.003
Profit before tax (PBT) (in ₹ in Lakhs)	7180.29	7180.29	7180.29	7180.29	7180.29
Remuneration as % of PBT	-	0.17	0.38	0.06	0.01

(k) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

The remuneration of the two highest paid directors during the financial year 2016-17 is ₹ 180,000 and 1,40,000 respectively (being sitting fees only). As there are 310 employees who are not directors but received remuneration during financial year 2016-17 in excess of ₹ 160,000, the individual ratio in respect of each such employee is not provided herein. However, the ratio of the remuneration of the two highest paid directors to the average remuneration of these 310 employees is 0.56.

(l) Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms remuneration is as per the remuneration policy of the Company.

(m) Name of employee of Company, who were employed throughout the financial year or for part of year, was in receipt of remuneration for that year which, in the aggregate, was not less than Sixty Lakh Rupees per financial year or Five Lakh Rupees per month.

Mr. Puneet Khurana, Chief Executive Officer

(n) Name of employee of Company, who employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

DISCLOSURE REQUIREMENTS

Following policies are posted on the website of the Company and weblink thereto is <http://www.everestkanto.com/policies.html>.

- Policy on Related Party Transactions
- Policy on Material Subsidiaries
- Policy on Board Diversity
- Policy on Nomination, Remuneration & Evaluation
- Code of Conduct for Directors & Senior Management
- Vigil Mechanism
- Policy on Sexual Harassment of Women at Workplace.
- Policy on Preservation and Archival of documents.
- Policy on Determination of Materiality of Events.

On the SEBI (Prohibition of Insider Trading) Regulations, 2015 coming into effect on May 15, 2015, the Company has adopted the Policies on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and Policies, which have been posted on the website of the Company and the weblink thereto is <http://www.everestkanto.com/policies.html>.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)

Everest Kanto Cylinder Limited is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other.

Number of complaints pending as on the beginning of the financial year – Nil

Number of complaints filed during the financial year- Nil

Number of complaints pending at the end of the financial year- Nil

LISTING OF SECURITIES

The Equity shares of the Company are listed on the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

ACKNOWLEDGEMENT AND APPRECIATION

The Board of Directors would like to express its deepest admiration and sincere gratitude for professional guidance rendered to the Company by Mr. Naresh Oberoi, who has served

as the Distinguished Member of the Board of the Company for more than a decade.

The Directors further would like to express their appreciation for the assistance, support and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company globally.

For and on behalf of the Board

P. K. Khurana
Chairman & Managing Director

Place: Mumbai

Date: May 30, 2017

ANNEXURES TO THE DIRECTORS' REPORT

Annexure 1: Secretarial Audit Report

Secretarial Audit Report

For the financial year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
Everest Kanto Cylinder Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everest Kanto Cylinder Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on the verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board - processes and have required compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable);
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client (Not applicable);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable); and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable).

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India for General Meetings, Board and Committees Meetings.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except for non compete business clause of Articles of Association of the Company.

I further report that I have relied on necessary disclosure(s) from Directors / KMPs and on confirmation received from the Company, about no specific applicable laws to the industry in which Company operates, however general compliance system prevails in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with them.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or on shorter notice and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Resignation of Mr. Puneet Khurana as Executive Director.
- b. Resignation of Ms. Bhagyashree Kanekar as Company Secretary.
- c. Sale / Transfer / Dispose of Company's land, buildings etc at Gandhidham in accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013.
- d. Reconstitution of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.
- e. Appointment of Mr. Puneet Khurana as Chief Executive Officer
- f. Appointment of Mr. Alok Bodas as Company Secretary.

For **Aashish K. Bhatt & Associates**
Company Secretaries
 (ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023

Place: Mumbai
 Date: May 30, 2017

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

To,
 The Members,
Everest Kanto Cylinder Limited

My report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.

2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**
Company Secretaries
 (ICSI Unique Code S2008MH100200)

Aashish Bhatt
Proprietor
ACS No.: 19639
COP No.: 7023

Place: Mumbai
 Date: May 30, 2017

Annexure 2: Conservation of Energy, Technology Absorption and Foreign Exchange and outgo

Information pursuant to section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption:

A. Conservation Of Energy:

I. Efficient use of Energy:

The company has taken various actions to achieve efficiency in energy utilization, and using cleaner fuels for reduction of pollution, such as:

- a. Efficiency in the use of Thermal energy by switching over from liquid fuels like LDO to LPG / Natural Gas.
 - a. Discontinue use of less efficient furnaces operated on LDO as fuel.
 - b. Convert all boilers from LDO to Natural Gas by using services of Original Equipment Manufacturer – Thermax.
 - c. Minimizing heat losses by improved insulation, etc.
- b. Efficiency in the use of electrical energy by installing power efficient equipment at all the plants/offices
- c. We have added a small furnace for heat treatment of small cylinders only. These were hitherto being heat treated in large furnace resulting in loss of energy.
- d. Furnaces consume large amounts of fuel so it is preferred to ensure they run with high load factor with least number of starts and stops. This is achieved now by sharing the furnace capacity with output of additional hot spinning machine.

- e. To improve load factor of the plant and to achieve higher energy efficiency, the manufacturing loads are rescheduled for larger batch sizes. For this the some production loads from one plant are shifted to other plant.
- f. Efforts are made to streamline processes to reduce down times. This ensures uninterrupted production with least idling thereby reducing energy requirements per cylinder.
- g. Large power consuming equipment are run in staggered manner so that peak load on system is reduced resulting in reduced transmission losses.
- h. Heavy electrical loads are scheduled equally in all shifts to take advantage of time slab concessions.
- i. Successfully developed cascades for use with BIO METHANE for storage and conveying. The Bio-methane is produced by conversion of bio waste in digesters to produce the gas and organic fertilizers which are very rich.
- j. Developed industrial cylinders for Hydrogen to be used for Fuel Cell applications. Hydrogen is considered as fuel of the future due to zero pollution it would generate.
- k. Due to industrial turndown we have cut down on the entire shifts instead of running the plants partially for all the shifts. This has resulted in power savings.

II. Energy Conservation measures undertaken at the Plants:

Following measures are continuously undertaken to conserve energy at the Plants:

1. Installation of larger heat exchangers and making use of cooling tower water in place of cold water from refrigerated chillers.
2. Installation of VF drive and programmable logic controls for paint booth suction blower for cyclic speed swings, thereby reducing power consumption per cylinder.
3. Installation of automatic power factor control panels with capacitors at various load centres for keeping the currents at lower level and also for keeping the power factor under control. Savings will also be made due to the incentive offered for better power factor by the electricity companies.
4. Use of High Density Poly Ethylene and FRP (Fibre Glass Reinforced Plastic) pipe lines to reduce the pressure losses consequently leading to lower energy requirement.
5. Deployment of distributed pumping stations and cooling towers to save energy.
6. Installation of automatic shut-off devices on air compressors to ensure they shut down when compressed air demand is low.
7. Installation of energy saving transformer for lighting.
8. Medium bay light fittings in factory sheds at optimum locations in place of high bay fittings which consume more power and give uneven light. Help of special

lighting software from light fittings suppliers was taken for this purpose.

9. Installation of wind driven roof ventilators for ventilation to save electrical energy.
10. Installation of transparent windows in addition to the transparent roofing sheets in the side walls of the taller sheds for better ventilation and lighting.
11. Use of boiler in place of usual method of thermic fluid heating for heating requirement in surface treatment plant. With steam it is possible to transmit much higher heat per kg of water pumped, which leads to major energy saving.
12. Installation of camel back style oven for the painting system to avoid funneling of air and resultant heat losses.
13. Installation of zero discharge Effluent Treatment Plant with multiple effect evaporators. This reuses steam and reduces energy consumption. Additionally, the recovered water is reused in the process.
14. Installation of more wind driven roof ventilators as energy saving devices.
15. Installation of more power saving transformers for the lighting load.

III. Impact of measures on reduction of energy consumption and consequent impact on the cost of production of goods:

The Company continues to draw to benefits in the area of energy conservation through its wind power projects. The Company had undertaken Wind farm projects at Kandla in the state of Gujarat and Satara in the state of Maharashtra, the brief details of which are given in the following table:

Place of Installation	No. of Wind-mills installed	Energy Generation Capacity	Investment (₹ in Lakh)	Energy Generated during the year	Energy Generated during previous year
Kandla, Gujarat	1	1.650 MW	1,125.00	223,865 units	2,212,714 units
Satara, Maharashtra	3	3 x 0.225 MW = 0.675 MW	349.14	589,924 units	667,118 units

- a. The wind farm projects as mentioned in the preceding parts have been undertaken in the states of Gujarat and Maharashtra, where the Company is having its own manufacturing facilities. Considering the present power policy of Governments, the Company has directly benefited in terms of captive consumption of energy generated by aforesaid wind farm and also from the sale of power generated from these wind mills.
- b. At Satara, the energy generated is sold to Maharashtra State Electricity Board as per the Government's policy.

IV. The details of energy consumption are given below. These details cover the operations of the Company's factories at Tarapur, Gandhidham and KASEZ

Particulars	Current Year	Previous Year
A) Power and Fuel consumption:		
a) Electricity purchased		
Units (kwh in Lakhs)	148.08	96.61
Total Amount (₹ in Lakhs)	1282.56	924.17
Rate per Unit (₹)	8.66	9.57
b) Oxygen purchased		
Units (Cu.M. in Lakhs)	4.36	3.88
Total Amount (₹ in Lakhs)	60.03	42.78
Rate per Cu.M. (₹)	13.77	11.03
c) LDO purchased		
Units (Ltrs. in Lakhs)	8.44	5.37
Total Amount (₹ in Lakhs)	289.8	201.38
Rate per Ltr. (₹)	34.35	37.48
d) LPG purchased		
Units (Kg. in Lakhs)	7.72	7.13
Total Amount (₹ in Lakhs)	333.17	255.66
Rate per Kg. (₹)	43.18	35.84
B) Consumption per unit of production:		
i. Electricity (kwh / MT)	776.81	827.44
ii. Oxygen (Cu.M / MT)	22.88	33.21
iii. LDO (Ltr. / MT)	44.26	46.02
iv. LPG (Kg. / MT)	40.48	61.10

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Management understands the importance of technology in the business segments it operates in and lays utmost emphasis on the systems development and the use of cutting-edge technology available in the industry. The management keeps itself abreast with technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet business needs and objectives. The Company has procured the latest equipment and its personnel are trained from time to time, on the use, operation and maintenance of such highly sophisticated equipment.

1. Technology Absorption

- Complete process was developed to manufacture Jumbo cylinders from High Alloy High Strength Steel pipes, without any technical collaboration or help from other company. This major step has made EKC the only manufacturer in India to make these High Alloy High Strength Jumbo Cylinders from tubes. It has opened up new markets which were hitherto inaccessible.
- One major landmark achievement is the qualification received to manufacture cylinders to the US Department of Transportation (US DOT). This was achieved under very strict controls from the officers of the USA federal government department of transportation DOT. This qualification would open the USA market which was hitherto most difficult to enter.

2. Technology Adaptation:

We are participating wholeheartedly in the Government's initiative of Make In India. Hitherto we have been importing certain raw materials as they were not manufactured in India. Now, one PSU has come forward to manufacture it in India and we shall be the application testing partners in that program for defence.

EKC also started the initiative to support Indian tube manufacturers in their effort to produce tubes for high pressure gas cylinders. This project is on way.

3. Innovation:

- New cylinder models are developed to meet varying needs of different overseas standards which are much stringent than the standards which we operated till now.
- Developed Tube Trailers for storage and transportation of Bio-Methane.
- For the first time in India, developed Ultra Large Cylinder for Hydrogen, working at 300 bar. This is for a prestigious project of Indian Space Research Organization (ISRO).
- Designed Very large capacity storage complex for gases to be stored at very high pressures which was not done in the country so far. This project is under implementation.

4. Foreign Exchange earning and outgo:

Total Foreign Exchange used and earned: (₹ in Lakh)

Particulars	Current Year	Previous Year
I. Foreign Exchange used	11660.01	8964.82
II. Foreign Exchange earned	13891.38	778.96

Annexure 3: Particulars of Contracts or Arrangement with Related Parties

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis: Nil
- Details of material contracts or arrangement or transactions* at arm's length basis: Nil

** Material Related Party Transaction means a transaction with a Related Party entered into individually or with previous transactions during a financial year which exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.*

**For and on behalf of the
Board of Directors of Everest Kanto Cylinder Limited**

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

Annexure 4: Extract of Annual Return

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L29200MH1978PLC020434
2	Registration Date	June 24, 1978
3	Name of the Company	Everest Kanto Cylinder Limited
4	Category / Sub-Category of the Company	Public Company limited by shares
5	Address of the Registered office and contact details	204, Raheja Centre, Free Press Marg, 214, Nariman Point, Mumbai - 400 021. Tel. No.: 022-3026 8300 Email: investors@ekc.in. Website: www.everestkanto.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Tel. No.: +91 22 4918 6270 Fax: +91 22 4918 6060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of fabricated metal products, except machinery and equipment	025	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
1.	Calcutta Compression & Liquefaction Engineering Ltd. Unit No. 203, 2nd Floor, 52A, Shakespeare Sarani Chandan Niketan, Kolkata, West Bengal - 700017	U51410WB2004PLC100920	Subsidiary	72.65	2(87)
2.	EKC Positron Gas Limited Unit No. 203, 2nd Floor, 52A, Shakespeare Sarani Chandan Niketan, Kolkata, West Bengal - 700017	U40300WB2015PLC206360	Subsidiary	72.65	2(87)
3.	Next Gen Cylinder Private Limited 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai- 400 021	U74999MH2016PTC289026	Wholly Owned Subsidiary	100	2(87)
4.	EKC International FZE PO Box: 61041, Plot No. S21004, Plot No. S21004, 7th Street, Jebel Ali Free Zone, Dubai, UAE	Foreign Company	Subsidiary	100	2(87)
5.	EKC Industries (Tainjin) Company Limited Plot No. 12, He Chang Road, Wuqing Development Area, Tianjin, P.R. China	Foreign Company	Subsidiary	100	2(87)
6.	EKC Industries (Thailand) Company Ltd. No. 269, Vibhavadi - Rangsit Road, Sanambin Sub-district, Donmuang District, Bangkok - 10120	Foreign Company	Subsidiary	100	2(87)
7.	CP Industries Holding, Inc. 2214, Walnut Street, McKeesport, PA - 15132 (USA)	Foreign Company	Step-down Subsidiary	100	2(87)
8.	EKC Hungary Kft. 1126, Budapest, Nagy Jeno u.10 Hungary	Foreign Company	Step-down Subsidiary	100	2(87)
9.	EKC Europe GmbH Bismarckstr. 120 47057 Duisburg Germany	Foreign Company	Step-down Subsidiary	100	2(87)
10.	Kamal EKC Industries Limited (Associate Company)	Foreign Company	Step down Subsidiary	49	2(87)

IV. SHARE HOLDING PATTERN :
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 01/04/2016				No. of Shares held at the end of the year as on 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	49980771	0	49980771	44.54	50139731	0	50139731	44.68	0.14
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	22377203	0	22377203	19.94	22377203	0	0	19.94	0.00
e. Bank/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total- (A)-1	7235797	0	72357974	64.48	72516934	0	72516934	64.63	0.14
2. Foreign									
a. NRI-Individuals	1608866	0	1608866	1.44	1608866	0	1608866	1.44	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Body Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d. Bank/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total- (A)-2	1608866	0	1608866	1.44	1608866	0	1608866	1.44	0.00
Total Shareholders of Promoters (1+2)	7396684	0	73966840	65.92	74125800	0	74125800	66.06	0.12
B. Public Shareholding									
1. Institution									
a. Mutual Funds	0	0	0	0	0	0	0	0.00	0.00
b. Bank/ FI	18010	0	18010	0.02	158508	0	158508	0.14	0.12
c. Central Govt.	500	0	500	0.00	500	0	500	0.00	0.00
d. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Co.	0	0	0	0.00	0	0	0	0.00	0.00
g. FIs	3815386	0	3815386	3.40	3787164	0	3787164	3.38	(0.02)
h. Foreign Portfolio Corporate	0	0	0	0.00	0	0	0	0.00	0.00
i. Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
j. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total-B (1)	3833896	0	3833896	3.42	3946172	0	3946172	3.52	0.10
2. Non-Institution									
a. Body Corporate	3978518	0	3978518	3.54	4282572	0	4282572	3.82	0.28
b. Individual									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	23469045	1585	23470630	20.91	20996807	1585	20998392	18.71	(2.20)

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3216832	0	3216832	2.87	4580404	0	4580404	4.08	1.22
c. Others									
(i) Clearing Member	938283	0	938283	0.84	1725383	0	1725383	1.54	0.70
(ii) Foreign National									
i. NRI (Repat)	1226039	0	1226039	1.09	932563	0	932563	0.83	(0.26)
ii. NRI (non Repat)	224990	0	224990	0.20	189234	0	189234	0.17	(0.30)
(iii) HUF	1351654	0	1351654	1.20	1427162	0	1427162	1.27	0.70
(iv) Other Directors	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total-B (2)	34405361	1585	34406946	30.66	34134125	1585	34135710	30.42	(0.24)
Net Total B (1+2)	38239257	1585	38240842	34.08	38080297	1585	38081882	33.94	(0.14)
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	0
Public	0	0	0	0.00	0	0	0	0	0
Grand Total(A+B+C)	112206097	1585	112207682	100.00	112206097	1585	112207682	100.00	0

ii. Shareholding of Promoters

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of share	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1.	KHURANA GASES PVT LTD	17577203	15.6649	12.9403	17577203	15.6649	12.9403	0.0000
2.	SUMAN PREMKUMAR KHURANA	15230691	13.5737	0.0000	15230691	13.5737	0.0000	0.0000
3.	PREMKUMAR DHARAMPAL KHURANA	12218000	10.8887	10.8887	12218000	10.8887	10.8887	0.0000
4.	PUNEET PREMKUMAR KHURANA	7503973	6.6876	0.0000	7662933	6.8292	0.0000	0.1416
5.	PUSHKAR PREMKUMAR KHURANA	7503973	6.6876	0.5335	7503973	6.6876	0.5335	0.0000
6.	MEDICAL ENGINEERS INDIA LIMITED	4800000	4.2778	4.2778	4800000	4.2778	4.2778	0.0000
7.	PREMKUMAR DHARAMPAL KHURANA	4800000	4.2778	0.0000	4800000	4.2778	1.3502	0.0000
8.	VARUN KHURANA	4322000	3.8518	0.0000	4322000	3.8518	0.0000	0.0000
9.	NISHITA KHURANA	10000	0.0089	0.0000	10000	0.0089	0.0000	0.0000
10.	POOJA KHURANA	1000	0.0009	0.0000	1000	0.0009	0.0000	0.0000
	TOTAL	73966840	65.9196	29.9905	74125800	66.0613	29.9905	0.1417

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the Promoter	Shareholding at the begning of the year - April 1, 2016		Change in shareholding during the year- No. Of shares		Reason/ Mode	Cumulative Shareholding at the end of the year - March 31, 2017	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Puneet Prem Kumar Khurana*	7503973	6.69	Date shares	No. of			
				28-Jun-2016	46637	Market Purchase	7550646	6.73
				05-Jul-2016	95709	Market Purchase	7646355	6.81
				11-Jul-2016	721	Market Purchase	7647076	6.82
				21-Jul-2016	10000	Market Purchase	7657076	6.82
				22-Jul-2017	5893	Market Purchase	7662933	6.83
	At the End of the year						7662933	

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the begning of the year - April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year March 31,2017	
		No. of shares	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares	% of total shares of the Company
1.	BEACON INDIA PRIVATE EQUITY FUND	3634865	3.2394			3634865	3.2394
	Transfer			24 Feb 2017	(9401)	3625464	3.2310
	AT THE END OF THE YEAR					3625464	3.2310
2.	RAHUL KAYAN	0	0.0000			0	0.0000
	Transfer			14 Oct 2016	150000	150000	0.1337
	Transfer			21 Oct 2016	850000	1000000	0.8912
	Transfer			09 Dec 2016	(600000)	400000	0.3565
	Transfer			27 Jan 2017	83645	483645	0.4310
	Transfer			03 Feb 2017	700000	1183645	1.0549
	Transfer			10 Feb 2017	25000	1208645	1.0771
	Transfer			17 Feb 2017	25000	1233645	1.0994
	Transfer			17 Mar 2017	100000	1333645	1.1886
	AT THE END OF THE YEAR					1333645	1.1886

Sr. No.	Top Ten Shareholders	Shareholding at the begning of the year - April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year March 31,2017	
		No. of shares	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares	% of total shares of the Company
3	ATUL KAYAN	0	0.0000			0	0.0000
	Transfer			11 Nov 2016	25000	25000	0.0223
	Transfer			18 Nov 2016	250000	275000	0.2451
	Transfer			25 Nov 2016	123676	398676	0.3553
	Transfer			02 Dec 2016	70000	468676	0.4177
	Transfer			09 Dec 2016	15000	483676	0.4311
	Transfer			23 Dec 2016	(250000)	233676	0.2083
	Transfer			03 Feb 2017	250000	483676	0.4311
	AT THE END OF THE YEAR					483676	0.4311
4	NIRMAL BANG SECURITIES PRIVATE LIMITED	43228	0.0385			43228	0.0385
	Transfer			01 Apr 2016	3412	46640	0.0416
	Transfer			08 Apr 2016	24950	71590	0.0638
	Transfer			15 Apr 2016	(100)	71490	0.0637
	Transfer			22 Apr 2016	7181	78671	0.0701
	Transfer			29 Apr 2016	(24734)	53937	0.0481
	Transfer			06 May 2016	13886	67823	0.0604
	Transfer			13 May 2016	13019	80842	0.0720
	Transfer			20 May 2016	22840	103682	0.0924
	Transfer			27 May 2016	(8866)	94816	0.0845
	Transfer			03 Jun 2016	(26613)	68203	0.0608
	Transfer			10 Jun 2016	(1111)	67092	0.0598
	Transfer			17 Jun 2016	(305)	66787	0.0595
	Transfer			24 Jun 2016	(4337)	62450	0.0557
	Transfer			30 Jun 2016	3093	65543	0.0584
	Transfer			01 Jul 2016	(4225)	61318	0.0546
	Transfer			08 Jul 2016	1655	62973	0.0561
	Transfer			15 Jul 2016	56350	119323	0.1063
	Transfer			22 Jul 2016	(17306)	102017	0.0909
	Transfer			29 Jul 2016	(56530)	45487	0.0405
	Transfer			05 Aug 2016	18566	64053	0.0571
	Transfer			12 Aug 2016	(42038)	22015	0.0196
	Transfer			19 Aug 2016	4880	26895	0.0240
	Transfer			26 Aug 2016	(5417)	21478	0.0191
	Transfer			02 Sep 2016	39622	61100	0.0545
	Transfer			09 Sep 2016	(9666)	51434	0.0458
	Transfer			16 Sep 2016	18030	69464	0.0619
	Transfer			23 Sep 2016	78639	148103	0.1320

Sr. No.	Top Ten Shareholders	Shareholding at the begning of the year - April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year March 31,2017	
		No. of shares	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares	% of total shares of the Company
	Transfer			30 Sep 2016	(57579)	90524	0.0807
	Transfer			07 Oct 2016	26493	117017	0.1043
	Transfer			14 Oct 2016	(38839)	78178	0.0697
	Transfer			21 Oct 2016	(8060)	70118	0.0625
	Transfer			28 Oct 2016	96335	166453	0.1483
	Transfer			04 Nov 2016	(65542)	100911	0.0899
	Transfer			11 Nov 2016	(11818)	89093	0.0794
	Transfer			18 Nov 2016	42209	131302	0.1170
	Transfer			25 Nov 2016	(16085)	115217	0.1027
	Transfer			02 Dec 2016	(5312)	109905	0.0979
	Transfer			09 Dec 2016	(4171)	105734	0.0942
	Transfer			16 Dec 2016	(1612)	104122	0.0928
	Transfer			23 Dec 2016	883	105005	0.0936
	Transfer			30 Dec 2016	3529	108534	0.0967
	Transfer			06 Jan 2017	2624	111158	0.0991
	Transfer			13 Jan 2017	3307	114465	0.1020
	Transfer			20 Jan 2017	(48958)	65507	0.0584
	Transfer			27 Jan 2017	(11501)	54006	0.0481
	Transfer			03 Feb 2017	1153	55159	0.0492
	Transfer			10 Feb 2017	35585	90744	0.0809
	Transfer			17 Feb 2017	29292	120036	0.1070
	Transfer			24 Feb 2017	(5566)	114470	0.1020
	Transfer			03 Mar 2017	(6999)	107471	0.0958
	Transfer			10 Mar 2017	1680	109151	0.0973
	Transfer			17 Mar 2017	(2823)	106328	0.0948
	Transfer			24 Mar 2017	4	106332	0.0948
	Transfer			31 Mar 2017	277528	383860	0.3421
	AT THE END OF THE YEAR					383860	0.3421
5	RAVI HINDUJA	373278	0.3327			373278	0.3327
	AT THE END OF THE YEAR					373278	0.3327
6	POLARIS BANYAN HOLDING PRIVATE LIMITED	0	0.0000			0	0.0000
	Transfer			03 Mar 2017	145000	145000	0.1292
	Transfer			10 Mar 2017	160300	305300	0.2721
	AT THE END OF THE YEAR					305300	0.2721
7	AM JAMILA BEGUM	0	0.0000			0	0.0000
	Transfer			13 Jan 2017	275000	275000	0.2451
	AT THE END OF THE YEAR					275000	0.2451

Sr. No.	Top Ten Shareholders	Shareholding at the begning of the year - April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year March 31,2017	
		No. of shares	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares	% of total shares of the Company
8	PRAMOD MANOHAR SAMVATSAR	235000	0.2094			235000	0.2094
	Transfer			21 Oct 2016	(10000)	225000	0.2005
	AT THE END OF THE YEAR					225000	0.2005
9	MOTILAL OSWAL SECURITIES LTD-CLIENT ACCOUNT	18153	0.0162			18153	0.0162
	Transfer			01 Apr 2016	450	18603	0.0166
	Transfer			08 Apr 2016	(125)	18478	0.0165
	Transfer			15 Apr 2016	(2177)	16301	0.0145
	Transfer			22 Apr 2016	2823	19124	0.0170
	Transfer			29 Apr 2016	(5979)	13145	0.0117
	Transfer			06 May 2016	3120	16265	0.0145
	Transfer			13 May 2016	7800	24065	0.0214
	Transfer			20 May 2016	(7182)	16883	0.0150
	Transfer			27 May 2016	4676	21559	0.0192
	Transfer			03 Jun 2016	(3812)	17747	0.0158
	Transfer			10 Jun 2016	6537	24284	0.0216
	Transfer			17 Jun 2016	(10354)	13930	0.0124
	Transfer			24 Jun 2016	5292	19222	0.0171
	Transfer			30 Jun 2016	(5070)	14152	0.0126
	Transfer			01 Jul 2016	(508)	13644	0.0122
	Transfer			08 Jul 2016	(726)	12918	0.0115
	Transfer			15 Jul 2016	59913	72831	0.0649
	Transfer			22 Jul 2016	(53415)	19416	0.0173
	Transfer			29 Jul 2016	20541	39957	0.0356
	Transfer			05 Aug 2016	15860	55817	0.0497
	Transfer			12 Aug 2016	3206	59023	0.0526
	Transfer			19 Aug 2016	45675	104698	0.0933
	Transfer			26 Aug 2016	(25882)	78816	0.0702
	Transfer			02 Sep 2016	36384	115200	0.1027
	Transfer			09 Sep 2016	77746	192946	0.1720
	Transfer			16 Sep 2016	(24351)	168595	0.1503
	Transfer			23 Sep 2016	(113790)	54805	0.0488
	Transfer			30 Sep 2016	45277	100082	0.0892
	Transfer			07 Oct 2016	63922	164004	0.1462
	Transfer			14 Oct 2016	8375	172379	0.1536
	Transfer			21 Oct 2016	5972	178351	0.1589

Sr. No.	Top Ten Shareholders	Shareholding at the begning of the year - April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year March 31,2017	
		No. of shares	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares	% of total shares of the Company
	Transfer			28 Oct 2016	(36011)	142340	0.1269
	Transfer			04 Nov 2016	(11453)	130887	0.1166
	Transfer			11 Nov 2016	(41649)	89238	0.0795
	Transfer			18 Nov 2016	(33107)	56131	0.0500
	Transfer			25 Nov 2016	20254	76385	0.0681
	Transfer			02 Dec 2016	16738	93123	0.0830
	Transfer			09 Dec 2016	(37280)	55843	0.0498
	Transfer			16 Dec 2016	44186	100029	0.0891
	Transfer			23 Dec 2016	(2630)	97399	0.0868
	Transfer			30 Dec 2016	(30423)	66976	0.0597
	Transfer			06 Jan 2017	22422	89398	0.0797
	Transfer			13 Jan 2017	(14641)	74757	0.0666
	Transfer			20 Jan 2017	15806	90563	0.0807
	Transfer			27 Jan 2017	(4629)	85934	0.0766
	Transfer			03 Feb 2017	(8132)	77802	0.0693
	Transfer			10 Feb 2017	98103	175905	0.1568
	Transfer			17 Feb 2017	6711	182616	0.1627
	Transfer			24 Feb 2017	(1554)	181062	0.1614
	Transfer			03 Mar 2017	(20978)	160084	0.1427
	Transfer			10 Mar 2017	2112	162196	0.1445
	Transfer			17 Mar 2017	(2559)	159637	0.1423
	Transfer			24 Mar 2017	102799	262436	0.2339
	Transfer			31 Mar 2017	(42605)	219831	0.1959
	AT THE END OF THE YEAR					219831	0.1959
10	ARUNA AMBRISH DESAI	0	0.0000			0	0.0000
	Transfer			23 Sep 2016	100000	100000	0.0891
	Transfer			17 Feb 2017	100000	200000	0.1782
	AT THE END OF THE YEAR					200000	0.1782

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Names	Shareholding at the beginning of the year – April 1, 2016		Shareholding at the end of the year - March 31, 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(A) DIRECTOR					
1	Prem Kumar Khurana	12218000	10.89	12218000	10.89
2	Pushkar Khurana	7503973	6.69	7503973	6.69
3	Mohan Jayakar	0	0.00	0	0.00
4	M. N. Sudhindra Rao	0	0.00	0	0.00
5	Uma Acharya	0	0.00	0	0.00
6	Naresh Oberoi*	0	0.00	0	0.00
(B) KMPs					
1	Puneet Khurana, Chief Executive officer**	7503973	6.69	7662933	6.83
2	Kishore Thakkar, Chief Financial Officer	0	0.00	0	0.00
3	Bhagyashree Kanekar***	0	0.00	0	0.00
4	Alok Bodas Company Secretary****	0	0.00	0	0.00

* Mr. Naresh Oberoi resigned as the Independent Director of the Company, with effect from August 20, 2016.

** Mr. Puneet Khurana resigned as Executive Director of the Company with effect from February 09, 2017 and was appointed as the Chief Executive Officer with effect from February 10, 2017.

*** Ms. Bhagyashree Kanekar resigned as the Company Secretary with the effect from November 14, 2016.

**** Mr. Alok Bodas was appointed as the Company Secretary of the Company with effect from February 09, 2017.

V. INDEBTEDNESS

(₹ in Lakh)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	24,825.17	3,353.17	2.84	28,181.19
2) Interest due but not paid	-	51.37	-	51.37
3) Interest accrued but not due	246.56	-	-	246.56
Total (1+2+3)	25,071.73	3,404.54	2.84	28,479.11
Change in Indebtedness during the financial year				
Principal Amount				
(+) Addition	2,357.28	374.71	-	2,732.00
(-) Reduction	2,227.60	346.33	-	2,573.93
Interest Accrued But not Due				
(+) Addition	899.33	259.38	-	1,158.72
(-) Reduction	937.65	310.75	-	1,248.40
Interest Due But not Paid				
(+) Addition	-	259.38	-	259.38
(-) Reduction	-	310.75	-	310.75
Net change				
Indebtedness at the end of the financial year				
1) Principal Amount	24,954.85	3,381.56	2.84	28,339.25
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	208.24	-	-	208.24
Total (1+2+3)	25,163.09	3,381.56	2.84	28,547.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Managing Director was not paid any remuneration during the financial year. The Company has not appointed Whole Time Directors and Manager in the Company.

B. Remuneration to other directors:
I. Independent Directors

Particulars of Remuneration	Name of Directors				Total amount
	Mr. M.N. Sudhindra Rao	Mr. Mohan Jayakar	Ms. Uma Acharya	Mr. Naresh Oberoi	
Fees for attending Board & Committee Meetings	1,80,000	1,40,000	1,40,000	70,000	
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total (I)	1,80,000	1,40,000	1,40,000	70,000	5,30,000

II. Other Executive/ Non Executive Directors:

Other Non-Executive Directors	Mr. Pushkar Khurana	Mr. Puneet Khurana	Total amount
Fees for attending Board & Committee Meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (II)	Nil	Nil	Nil
Total B = (I+II)			5,30,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total amount
		Mr. Puneet Khurana*	Mr. Kishore Thakkar	Ms. Bhagyashree Kanekar**	Mr. Alok Bodas***	
	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	27,00,000	4,04,000	87,000	43.91,000
1.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	(i) As % of Profit	-	-	-	-	-
	(ii) Others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Performance Bonus	-	-	-	-	-
	Total	12,00,000	27,00,000	4.04,000	87,000	43,91,000

* Mr. Puneet Khurana appointed as chief executive officer w.e.f. February 10, 2017.

** Ms. Bhagyashree Kanekar as resigned as company secretary w.e.f. November 15, 2016.

*** Mr. Alok Bodas appointed as company secretary w.e.f. February 9, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under Companies Act, 2013): None

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017

Annexure 5: Nomination, Remuneration and Evaluation Policy

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Everest Kanto Cylinder Limited (the "Company").

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement.

1. DEFINITIONS

"Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means -

- (i) Chairman & Managing Director;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other Officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management Personnel" (SMP) means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

The terms used in this Policy but not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013.

2. PURPOSE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

3. ACCOUNTABILITIES

- (i) The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

- (ii) The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- (ii) identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- (iii) recommending to the Board on the selection of individuals nominated for directorship;
- (iv) making recommendations to the board on the remuneration payable to the Director/ KMPs / SMPs so appointed / reappointed;
- (v) assessing the independence of independent directors;
- (vi) such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder;
- (vii) making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- (viii) ensuring that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (ix) devising a policy on Board diversity;
- (x) developing a succession plan for the Board and to regularly review the plan.

5. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

- (i) The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
- (ii) Minimum two (2) members shall constitute a quorum for the Committee meeting. (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) The Company Secretary of the Company shall act as Secretary of the Committee.

6. CHAIRMAN

- (i) The Chairman of the Committee shall be an Independent Director.
- (ii) The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (iv) The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF THE MEETINGS OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS

- (i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (ii) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. VOTING

- (i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be a decision of the Committee.
- (ii) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. MINUTES OF THE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

11. APPLICABILITY

This Policy is applicable to:

- (i) Directors (Executive, Non-Executive and Independent)
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel
- (iv) Other employees as may be decided by the Nomination and Remuneration Committee

12. CRITERIA FOR APPOINTMENT OF DIRECTORS/KMPs/ SENIOR MANAGEMENT PERSONNEL

- (i) Enhancing the competencies of the Board and attracting as well as retaining talented employees

for role of KMPs are the basis for the Nomination and Remuneration Committee to nominate a candidate for appointment by the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee shall have regard to:

- (a) assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- (b) the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- (c) the skills and experience that the appointee brings to the role of KMP/SMP and how an appointee will enhance the skill sets and experience of the Board as a whole;
- (d) the nature of existing positions held by the appointee including directorships or other relationships and
- (e) the impact they may have on the appointee's ability to exercise independent judgment.

(ii) Personal Specifications:

- (a) Degree holder in relevant disciplines;
- (b) Experience of management in a diverse organization;
- (c) Excellent interpersonal, communication and representational skills;
- (d) Demonstrable leadership skills;
- (e) Commitment to high standards of ethics, personal integrity and probity;
- (f) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- (g) Having continuous professional development to refresh knowledge and skills.

Details of the personal specifications are provided in the **Annexure** hereto.

13. LETTERS OF APPOINTMENT

Each Director/KMP/SMP is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned to him in the Company.

14. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

(A) General

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs and other SMPs. The salary of Directors, Key Management Personnel and

other Senior Management Personnel shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination & Remuneration Committee shall determine individual remuneration packages for Directors, KMPs and SMPs of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee shall consult with the Chairman of the Board as it deems appropriate.

The remuneration/ compensation/ commission etc. to Directors and KMPs determined by the Committee will be recommended to the Board for its approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

Increments to the existing remuneration/ compensation structure of Directors and KMPs shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.

Where any insurance is taken by the Company on behalf of its Directors, KMPs and SMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(B) Provisions Under Companies Act, 2013 In Respect Of Directors

- (i) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- (ii) The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director (including its Manager, if any) in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed as per the manner prescribed under the Act.
- (iii) The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act.
- (iv) The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to any one Managing Director/Whole Time Director/ Manager and ten percent in case of more than one such official.
- (v) The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director

upto one percent of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other case.

- (vi) If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- (vii) The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- (viii) The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

(C) Remuneration Composition

(i) Remuneration to Executive Directors and KMPs

Fixed Pay:

- (a) Executive Directors and KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- (b) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable Components:

The Executive Directors and KMPs may participate in a performance linked variable pay scheme which will be based on the individual and company performance for the year, pursuant to which the Executive Directors and KMPs are entitled to performance-based variable remuneration.

(ii) Remuneration to Directors other than Executive Directors:

Sitting Fees:

- (a) The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.
- (b) Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or

such amount as may be prescribed by the Central Government from time to time.

Commission:

The Non- Executive / Independent Directors may receive Commission on yearly basis as per the Policy of the Company with regards to the profits achieved by the Company during the year and within the limits prescribed under Companies Act, 2013.

(iii) Remuneration to Senior Management Personnel:

- (a) The Nomination and Remuneration Committee may determine from time to time the remuneration payable to Senior Management Personnel including the increments payable as per the Policy.
- (b) The authority of such determination of remuneration of the SMPs may be delegated to the Managing Director by the Nomination and Remuneration Committee as the Committee deems fit in this regard.
- (c) The Managing Director shall from time to time intimate the Nomination and Remuneration Committee the remuneration payable to the Senior Management Personnel in case of delegation of authority to him by the Nomination and Remuneration Committee.

Fixed Pay:

- (a) Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Nomination and Remuneration Committee. However, in case of Manager as defined under Companies Act, 2013, the remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force.
- (b) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Nomination and Remuneration Committee.

Variable Components:

The Senior Management Personnel may participate in a performance linked variable pay scheme which will be based on the individual and Company performance for the year, pursuant to which the Senior Management Personnel are entitled to performance-based variable remuneration.

15. CRITERIA FOR EVALUATION OF DIRECTORS/ KMPs/ SMPs OF THE COMPANY

- (i) The evaluation of the Directors, KMPs and the SMPs of the Company shall be conducted on an annual basis which shall further satisfy the requirements of the Listing Agreement.
- (ii) The following criteria may be considered in determining how effective the performances of the Directors/ KMPs / SMPs have been:
 - (a) Leadership & stewardship abilities
 - (b) contributing to clearly define corporate objectives & plans

- (c) Communication of expectations & concerns clearly with subordinates
- (d) obtain adequate, relevant & timely information from external sources.
- (e) review & approval achievement of strategic and operational plans, objectives, budgets
- (f) regular monitoring of corporate results against projections
- (g) identify, monitor & mitigate significant corporate risks
- (h) assess policies, structures & procedures (i) direct, monitor & evaluate KMPs, SMPs (j) review management's succession plan (k) effective meetings
- (l) assuring appropriate board size, composition, independence, structure
- (m) clearly defining roles & monitoring activities of committees
- (n) review of corporation's ethical conduct
- (iii) Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.
- (iv) The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

16. TERM OF APPOINTMENT AND LIMITS ON NUMBER OF DIRECTORSHIPS

(i) Managing Director or Whole – Time Directors

The Company shall appoint or re-appoint any person as its Managing Director / Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

(ii) Independent Directors

- (a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- (c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- (d) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.
For reckoning the limit of public companies in which a person can be appointed as Director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.
- (e) The appointment shall be subject to the other applicable provisions of Companies Act, 2013.

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes, seminars and plant visits.

18. REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

19. RETIREMENT

The Directors & KMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company, while SMPs shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs, SMPs in the same position / remuneration or otherwise even after attaining the retirement age, in the best interest and benefit of the Company.

20. DISCLOSURES

The Company shall disclose the Policy on Nomination and Remuneration in the Board Report.

21. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the

Policy, the Board shall record the reasons for such departure in the Board's minutes. However, the deviations made in the Policy shall not be in contradiction to the Companies Act, 2013, the Listing Agreement and any other laws or rules applicable thereto amended from time to time.

22. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

- 23. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure -

Personal Specification for Directors

1. Qualification
 - Degree holder in relevant disciplines (e.g. management, accountancy, legal); or
 - Recognised specialist
2. Experience
 - Experience of management in a diverse organisation
 - Experience in accounting and finance, administration, corporate and strategic planning or fund management
 - Demonstrable ability to work effectively with a Board of Directors
3. Skills
 - Excellent interpersonal, communication and representational skills
 - Demonstrable leadership skills
 - Extensive team building and management skills
 - Strong influencing and negotiating skills
 - Having continuous professional development to refresh knowledge and skills
4. Abilities and Attributes
 - Commitment to high standards of ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace
5. Political inclinations and opinions.

ANNEXURE 6: POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Objective

Everest Kanto Cylinder Limited ("Company" / "EKC") is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company. A work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other.

Meaning of Sexual Harassment

- a) Sexual Harassment is unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual. Physical conduct of a sexual nature includes all unwanted physical contact.
- b) Verbal forms of sexual harassment include abusive language or insults, unwelcome innuendoes, suggestions and hints, sexual advances, comments with sexual overtones, objectionable sex-related jokes or unwelcome graphic comments about individual's body structure in their presence or directed towards them.
- c) Any other unwelcomed physical, verbal or non-verbal conduct of sexual nature or inappropriate inquiries, and unwelcomed whistling directed at a person or group of persons.
- d) Non-verbal forms of sexual harassment include unwelcomed gestures, inappropriate exposure, and the unwelcomed display of sexually explicit pictures and objects in any media.
- e) The following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment, as defined in (a) above, may amount to sexual harassment:—
 - (i) Implied or explicit threat of detrimental treatment at work; or
 - (ii) To threat about present or future employment status; or
 - (iii) Interference and disturbance with work or creation of an intimidating or offensive work environment; or
 - (iv) Humiliating treatment likely to affect health, safety or self-esteem.

Policy Framework

- a) All Company employees will maintain high standards of dignity, respect and positive regard for one another in all their dealings.
- b) All Company employees will understand and appreciate the rights of an individual to be treated with respect and dignity.

- c) All Company employees are required to maintain a harassment free environment in the office premises.
- d) All Company employees will refrain from committing any acts of sexual harassment at work place.
- e) Allegations of sexual harassment will be dealt seriously, expeditiously, sensitively and with confidentiality.
- f) This policy will protect Company employees from victimization, retaliation for filing or reporting a complaint on sexual harassment and will also be protected from false accusations.

Procedure for dealing with complaints of sexual harassment

- a) Company shall form an internal Sexual harassment Internal complaint committee ("Committee") to deal with all the matters related to sexual harassment. A Senior female Everest Kanto employee will head the committee. The committee will also consist of a third party, either an NGO or any other body familiar with the issue of sexual harassment.
- b) If the person believes that he/she has been subjected to sexual harassment, then the complaint/ grievance should be promptly reported to the Internal Sexual harassment Committee through the respective HR Manager or the Unit/ Location/Department Head.
- c) Ideally, the complaint should be lodged immediately or within a reasonable period 1 month from the date of incident/last incident.
- d) All complaints / grievances of sexual harassment will be taken seriously, will be held in strict confidence and will be investigated promptly in an impartial manner. There may be a need to nominate a senior person to head the investigation if required in a particular matter.
- e) The Committee will thoroughly investigate the complaint / grievance and will take the necessary appropriate course of action.
- e) Any victimization of, or retaliation against, the complainant or any Company employee who gives evidence regarding sexual harassment or bullying will be subject to disciplinary action up to and including termination of employment.
- f) The Committee would examine each case on its merit and take a decision from time to time, for conducting the enquiry proceedings.
- g) In case, the complaint lodged is found to be false, malicious or forged and misleading documents have been produced, the Committee post investigations may recommend disciplinary action against the complainer.

Disciplinary Action

In case any such conduct amounts to a specific offence under the Indian Penal Code or under any other law, the company shall initiate appropriate action in accordance with the law by lodging complaint with the appropriate authority.

MANAGEMENT DISCUSSION & ANALYSIS

FORWARD - LOOKING STATEMENTS

This report contains forward looking statements identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward - looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

OVERVIEW

During the financial year 2016-17, Indian economy witnessed challenging time especially in the Second half of the financial year on account of demonetization. As per the Government data the gross domestic product grew 7.1% in the full financial year 2016-17, slower than 8% recorded in the previous year.

The impact of demonetization was significantly felt as India's economic growth slowed to 6.1% in the fourth quarter ending March 2017, compared with 7.1% in the previous quarter, as aforesaid decision slowed activity in cash-dependent sectors.

The impact of demonetization and implementation of Goods and Service Tax (GST) would be short lived as various other parameters like significant good monsoon, implementation of 7th Pay Commission, tapering of retail inflation to 3.8% in March 17 from 5.16% in April 16 would augur well and would lead to resumption of domestic consumer demand.

The International Monetary Fund predicted that India would retain the status of fastest growing economy until 2020.

DOMESTIC BUSINESS

The continuing slow-down and erratic periodic pattern of the industrial sector growth during the year maintained its adverse impact for the demand for the company's product.

CNG has become popular fuel for transport sector. While its usage has been mandated in the case of public transport in Delhi, the switch over to CNG has been voluntary in case of private car segment due to cost economics weighing in its favour. Use of CNG as a vehicular fuel is well established and growing worldwide.

In an effort to curb air pollution and to improve ambient air quality in NCR & Delhi, the National Green Tribunal (NGT) in a landmark

ruling on April 7th 2015 banned diesel vehicles over ten years old from plying on Delhi roads and all petrol vehicles which are 15 years old shall not be registered in NCR & Delhi. It is expected that more numbers of CNG private cars would be added, as customers would prefer CNG over Diesel for their new purchases also. Accordingly company has seen some spike in sale of CNG cylinders, however the further expansion would depend upon Supreme Court judgement in the aforesaid matter as Central Government have appeal against the NGT Order.

The Government of India emphasize on "Make in India" is expected to garner tremendous business opportunities for the Company as many foreign companies from varied field like defence, automobiles, aviation, oil and gas, ports and shipping, space, thermal power etc intends to set up their establishments in india.

The business situation can improve only on change of key relevant macro parameters, such as, increase in availability of domestic natural gas at reasonable prices, which would enable the government to roll-out its City Gas Distribution policy to many more cities and also enable more CNG outlets to be opened, higher allocation of natural gas by the Government for the CGD sector by moving the sector higher on the priority list, improvement in investment cycle which will spur industrial growth consistently creating demand for industrial cylinders, increase in demand for automobiles run on CNG, increased thrust of government on environment and pollution-reduction, etc. Being the market leader with highest market share and with the large installed capacity, established infrastructure and diverse product range, the Company will be the biggest beneficiary on the happening of these macro level improvements.

There are four types of cylinders available for use in CNG kits: Type 1, 2, 3 and 4. Indian market has Type 1 cylinder technology. The global cylinder industry has witnessed a gradual shift from Type 1 cylinders to an increased use of composite cylinders (Type 4). Indian auto industry has recognized the need to upgrade technology to Type 4 cylinders. The Company has been producing Type 4 cylinders in USA.

Taking into consideration, the Indian government in an attempt to fulfill its COP-21 commitments is increasing the gas share in the country's fuel basket from 7% to the world average of 24%. The primary benefit of Type 4 technology is substantial weight reduction and hence reduction in carbon emission. Composite cylinder market holds promising future for light weight cylinders with an increased focus on environment and fuel efficiency. Composite cylinders are light weight, robust, corrosion proof plastic inside shell which enables them to be used for wide range of vehicles: cars, buses, trucks etc.

The Company having more than 35 years of experience, proposes to extended its role in Fire Protection, Detection And Alarm, Gas Suppression, Low And High Pressure Water Mist

Systems And Specialized Gas Suppression Systems. Firetrace Aerospace division has a strong presence in the US defence for supplying specialized fire protection systems for defence vehicles. Taking into consideration the present “Make in India” trend, our Company would be placed at an advantageous position with an alliance with Firetrace Aerospace division USA for the Indian defence.

INTERNATIONAL BUSINESS

(a) Dubai Operations

The Dubai operations which have been under strain since the third quarter of 2011 due to the sudden closure of its dominant Iran market due to economic sanctions imposed upon it continued to remain so. However, with sanctions getting lifted from Iran and the Iran market will soon reopen, which will bode well for the Dubai operations. The new markets in South America, CIS countries, Europe, etc. that have been developed are gaining traction and stability. However, the volumes and the margins continue to be low. The Dubai operations has started dealing in industrial cylinders and cascades and tapping the Gulf market. EKC International FZE is also entering a new line of business of Gas Suppression & Specialized Gas Fire Suppression Systems and Fire Detection & Alarm Systems. The identified territories for this business would be Pan India, Middle East, & East Africa.

(b) USA Operations

The US operations have done relatively well during the year, in terms of turnover and margins. The order book position has improved and looks encouraging, with larger proportion of high margin orders. The business prospects remain promising due to the expected uptick in the US economy and the encouragement to the natural gas sector prompted by the shale gas discovery (despite the recent challenges due to decline in crude oil price) and improvement in natural gas supply and distribution infrastructure. The Composite Cylinders did not see the expected ramp up in volumes due to the initial technical and other hitches, which have now been overcome. Going forward, this business is expected to grow well and will provide the required diversification, adding significantly to the revenue and margins. However, Composite Cylinder product development costs and other one-time charges dented the financial results at the net level. The US operations obtained the DOT approval during the year after rigorous approval process over 24 months; this will enable marketing of Industrial Cylinders in the US, which will be sourced from India and Dubai.

(c) China Operations

The China operations continue to remain under severe

strain due to the intense competition from the local players who are much large in size and product range, exerting demand and pricing pressures. The slowdown in the Chinese economy and the tough operating environment in China, especially for foreign players, also impacted the operations. The Company's continued its thrust on Jumbo cylinders in niche segments due to better realization and margins and lower competition but several challenges remain. The Composite Cylinders business did not grow as anticipated due to smaller volumes and regulatory issues. As a result, the plants operated at sub-optimal capacity. The China operations now acts as raw material sourcing hub for the India, Dubai and USA operations, which will yield some margins to it, while reducing the overall raw material costs of the other operations.

(d) Europe Operations

The Europe subsidiary has developed the Europe market and clientele and will procure Cylinders from India, Dubai and USA plants. The subsidiary has played crucial and stellar role in Composite Cylinder product development for the US plant by providing in-house expertise.

(e) African Operations

Taking into consideration business opportunities in private and public sector in Tanzania, the Company has formed Joint venture (JV) with Kamal Group of Companies, Tanzania. To avail benefits available to local entities, the Company has formed JV with 49% stake in it.

STRENGTHS

EKC's continued resilience in successfully weathering all business and operational challenges over long time frame is reflective of its strengths which are summarized below:

1. Strong Management

EKC has a strong, able, committed and highly experienced management with over three decades of solid technical, marketing and general management experience in the high pressure cylinder industry. The experience of the Company's management team is a key competitive advantage. Top officials of EKC have been associated with the Company for a long period of time which provides depth and continuity of management.

2. Sustained Leadership in Domestic Market

EKC is the pioneer in India of high pressure seamless cylinders business since 1978 and is India's largest player with highest market share, mainly on account of its long history in business and adherence to the highest quality standards and the largest production capacity. EKC also benefits from having the first mover advantage. This coupled

with strong relationships on the raw material supply chain, quality certifications and a strong safety track record has helped EKC to maintain its leadership position.

3. Domination in Export as well as Local Markets

EKC Group's exports to over 25 countries all over the world including countries in South East Asia, Middle East, Africa, US, Europe, South America and Commonwealth of Independent States countries. Most of them have the stringent quality standards and value driven norms for the products supplied by EKC. This demonstrates EKC's global competitiveness, world class quality of its products and superior logistical capabilities. The Company has also been able to maintain its dominant share in the domestic market. Revenue from markets outside India now represents almost 63% of the Group's total revenues.

4. High Quality Products

The cylinders manufactured by EKC have earned a global reputation for their high standard of quality and compliance with the most stringent specifications laid down by international bodies and local authorities. EKC manufactures cylinders conforming to Indian Standards like IS 7285 (Part 1), IS 7285 (Part 2) and IS 15490 and International standards like ISO: 11439, ISO: 9809-1, NZS: 5454, ISO: 4705D, EN: 1964, ISO: 11120, ECE R-110.

5. Large Capacity and Wide Product Range

The Company, along with its subsidiaries, has set up global scale capacities aggregating to more than 1.3 Million cylinders per annum, across various plants in India and overseas manufacturing a wide and versatile range of high pressure seamless cylinders, viz.

- Industrial Gas Cylinders (manufactured from tubes)
- Industrial Gas Cylinders (manufactured from billets)
- CNG Cylinders (manufactured from tubes)
- CNG Cylinders (manufactured from plates)
- CNG Cylinder Cascades
- Jumbo Cylinders
- Jumbo Skids
- Type II Composite Cylinders
- Type IV Composite Cylinders

The Company provides cylinders with water capacities that range between 1 litre and 3000 litres and also supplies cylinders in customised sizes, with large range of applications, including Defence. Because EKC has the ability and is flexible to meet any specification, it has a broad customer base across the globe.

6. Supply Chain and Customer Relationships

The Company maintains cordial and ethical business relationships with its value chain partners, such as its key raw material suppliers, gas distributors, OEMs and

regulatory authorities like The Chief Controller of Explosives, Bureau of Indian Standards and other statutory bodies in India and abroad, and with all its customers.

7. Quick Delivery to Customers

EKC has the ability to manufacture and deliver Cylinders of different sizes and varied specifications from its multiple operating units. This results in quick delivery to the customers.

8. Investment in New Technologies

EKC has made significant investments in newer and alternate technologies which would ultimately enable it to reach leadership status globally. Also, it is the only company in India to use alternate technologies and raw materials in its new plants. This has enabled EKC to broad base its raw material supply chain which would lead to lower cost of production and better working capital management as also to broad base its product offerings. The green field project at Kandla for plate based CNG cylinders would enable it to cater to the niche OEM segment in India and overseas through supply of light weight and more value added cylinders as and when the demand for such Cylinders materialises. Also, as mentioned above, the US and China subsidiaries have invested in the lighter weight and more preferred Composite Cylinders plants.

9. Group Synergies

EKC's presence in much geography through subsidiaries affords its operations tremendous synergies. EKC China is now acting as raw material sourcing hub for the India, Dubai and US operations as the plants in the three locations source bulk of their raw materials from China. This will enable EKC to source the raw materials for all the operations at lower costs due to larger combined volumes. Similarly, EKC Europe will scout business in Europe for the plants in India, Dubai and USA. Inventory management is also optimized with movement of goods from one operation to the other, depending on requirements. The group also benefits from exchange of technical know-how and skills.

10. Investment in Human Talent

All employees are important to the Company and it believes that its employees are particularly critical to its business, as they are responsible for understanding customer expectations, ensuring consistent and quality service delivery. The employees are essentially the glue that keeps the entire organization together. The Company intends to continue to invest in developing and grooming its employees.

CHALLENGES, RISKS & CONCERNS

1. Raw material intensive industry

Seamless steel tubes are the principle raw material used by EKC. The quality of cylinders produced is directly dependent on the quality of raw material used. There are only a few

seamless tube manufacturers globally who meet the stringent quality specifications. As the seamless tubes are fully imported by the Company, adequate level of raw material inventory has to be maintained at all times to ensure quick turnaround time for orders received. Any volatility in the prices or increase in the import duty rates or disruption in availability of raw material can impact the profitability of the Company. However, EKC has strong relationships with the existing raw material suppliers and is constantly developing new sources of supplies which will enable the Company to reduce its raw materials cost. Going a step further to reduce supplier risk, EKC has setup facilities using alternate manufacturing process and cheaper raw materials such as billets and plates. Further, as a cost reduction and supply risk mitigation factor, EKC China now sources the raw material for all operations.

2. Competition

Although EKC is the market leader in India with majority share, many players have put up high pressure cylinder manufacturing capacities. However, these capacities can only be utilized with growth in demand which is dependent to a large extent on increase in the overall industrial and manufacturing growth, Government policies and impetus from the Government by increasing the supply of gas, covering more cities under the City Gas Distribution policy and improving the gas infrastructure all over the country. Besides, the increasing competition has resulted in an overall margin contraction at the industry level. Despite the challenge posed by the increase in competition, EKC continues to dominate the market place. This is on account of EKC's long standing in the business and goodwill, superior customer reach, wide range of products offered, stronger financial muscle and use of alternate technologies and raw materials. However, a good development on this front is that many marginal and small players have either fully curtailed their operations or reduced them considerably due to the prevalent difficult business environment and conditions over the past few years, in which they were unable to sustain themselves. This bodes well for us as this will reduce the competition going forward.

3. Slow Growth in Sales of CNG Cylinders

Because of the regulatory impasse and lack in wide spread availability of gas, the overall growth and development of the CNG infrastructure has not been robust in the country. Only regulatory push can lead to increased usage of CNG which will ultimately result in cost benefit to consumers due to CNG's inherent cost advantage vis-a-vis other auto fuels. Energy content per kilogram of CNG is comparable to that of petroleum based fuels. Usage of CNG in vehicles results in higher mileage per unit due to its superior combustion characteristics.

4. Domestic CNG Growth Dependent on Government Policies and Plans

The growth in CNG cylinder market for storage and transportation of CNG would be dependent on government plans and initiatives to switch over to alternative fuel. However, with natural gas being progressively made available in most parts of the country and the rising cost of fuels (except for the fall in prices witnessed since the second half of the year), it is expected that the Government policies would be progressive favoring CNG as a fuel. The recent judicial activism at the highest level resulting which the Government has been mandated to have uniform natural gas prices across India is a beneficial development, which will improve the availability of CNG at reasonable cost across India, which will induce consumers to switch over to CNG vehicles. This would lead to an accelerated growth in the CNG cylinder industry. Policy decision by the government to de-regulate diesel prices will turn some of the demand to CNG. The expected increase in supply of domestic gas due to the gas price hike will add impetus to the demand in the long run.

5. Slowdown in the Industrial Sector and Indian Automobile Industry Negatively Impacts the Company's Growth

Industrial gas manufacturers and other manufacturing sectors are major customers for Industrial Cylinders. Any slowdown in manufacturing sector adversely impacts the demand for Industrial Cylinders. OEMs and retrofitters are the major customers of EKC's CNG cylinders in the automobile sector. Any slowdown in cylinder off take from OEMs in India will adversely affect EKC's operations/ production plans. However, demand from other global markets helped in offsetting the slowdown in the Indian auto sector. EKC, as a group, has actively started looking at interesting overseas markets in Euro zone and USA. EKC is gearing itself up to obtain required approvals to comply with technical and statutory requirements of these markets.

6. Volatile Steel Prices

Volatility in seamless steel tube prices will affect the demand if the increase in price is passed on to the customers. If the increase in price is not passed on to the customers it may lead to contraction in the margins.

7. Fluctuation in Foreign Currency

Any adverse change in the exchange rate between the US Dollar and the Indian rupee has a negative impact on EKC's results of operations and financial condition as the seamless steel tubes (raw material) are fully imported and to the extent of the borrowings denominated in foreign currency.

The Company's treasury function actively tracks the movements in foreign currencies and has an internal risk management policy of proactively balancing between hedging of the net exposures and the cost thereof.

8. Fluctuations in Interest rate

EKC is subject to risks arising from interest rate fluctuations. EKC group borrows funds in the domestic and international markets to meet the long-term and short-term funding requirements for its operations and funding its growth initiatives.

FUTURE PERSPECTIVE

1. Capacity expansion to drive growth

EKC has over the years successfully undertaken expansion plans at domestic as well as global levels to retain its leadership position in the industry. The Company has also set up plants using alternative technologies and raw materials to stay ahead of the competitors, reduce input costs risks and to offer more product range to customers. Besides, the company has also set up a Greenfield 250,000 CNG cylinders plant in the Kandla Special Economic Zone (KASEZ) which uses the steel-plate deep drawing process. These cylinders are lighter in weight and are of better quality and command premium over the tube based cylinders. CNG vehicle manufacturers will show increasing preference for plate cylinders as vehicles fitted with these cylinders have better fuel efficiency.

Besides, as discussed above, the US and China subsidiaries have set up Type IV and Type II Composite Cylinders plants respectively which will cater to the discerning segment of the market which prefer these light weight though higher priced cylinders.

Due to the world scale capacity set up by the Company, the Company is well poised to tap the markets as and when the demand picks up.

2. Increasing demand for Industrial Cylinders

The gas industry relies heavily on cylinders to store and transport gases. EKC is flexible to meet any specification. This has resulted in a broad customer base of companies supplying industrial gases across the globe. The demand for cylinders is directly proportional to the demand for industrial gases.

With the expected increase in the economic growth and the improvement in investment scenario pursuant to Make in India, Swatch Bharat and other initiatives of the Government, the outlook for the growth in demand for industrial gases over the next five years is favourable. This is expected to augur well for EKC which has set up high manufacturing

capacity of industrial cylinders. And with the commissioning of the billet cylinders plant, the position has further strengthened with large industrial gases companies preferring these cylinders. The obtaining of DOT approval by the US operations will facilitate marketing of Industrial Cylinders in the hitherto untapped US market, which is fairly large.

3. Increasing Natural Gas Availability

With the increasing natural gas availability the world over (example, the USA), the natural gas vehicles are being preferred and promoted by Governments of many countries. Coupled with the increasing environment consciousness, the demand for natural gas vehicles and, thus, the cylinders to bottle the gas is set to increase over medium to long term.

FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

The last year has again been very difficult for the Company on account of the continued challenges presented by the economic environment, local as well as international. The operations resulted in substantial loss, mainly on account of interest on borrowings and provisions made for investments in EKC China and Calcutta Compressions and Liquefaction Ltd. The expected improvement in the economic and business environment after the new Government came to power earlier during the year did not materialize and the ground scenario for the Company's business remains almost the same.

INTERNAL CONTROL SYSTEM

The Company has an Internal Audit System commensurate with its size and nature of business operations. The Internal Auditors covers all the key areas of the Company's business and reports to the Audit Committee of the Board. EKC has also implemented adequate internal controls towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with the applicable laws, rules and regulations

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognizes that the challenges of the future can be best met with the competent and motivated human resources. It has taken various HR initiatives to add value to its pool of human talent and integration of individual goals with that of the Company. Training and Development of the employees forms an integral part of the Company's policy towards achieving its objectives. The company recognizes and appreciates the contribution of all its employees in its growth path.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's essential character is shaped by the very values of transparency, integrity, professionalism, accountability and overall customer satisfaction. The Company continuously endeavors to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities to attain the goal of value creation.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in the various Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Company from time to time.

2. BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non business" risks. The Board of Directors along with its committees provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing shareholders value. The Company's business is conducted by its employees under the direction of the Chairman & Managing Director along with Chief Executive officer under the overall supervision of the Board.

• Composition and Size of Board

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors, all of whom are eminent persons with considerable professional expertise and experience in business and industry, finance, management and law. Your Company is managed and guided by a professional Board comprising 5 Directors, whose composition as on March 31, 2017 is given below:

- One Promoter, Executive Director
- One Promoter, Non-Executive Director
- Three Independent Directors

During the year, the composition of the Board of Directors was in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed the Securities and Exchange Board of India (SEBI). The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Name of the Directors	Number of Directorships [^]	Number of Committees ^{^^}	
			Member	Chairperson
1.	Mr. P.K. Khurana	3	2	0
2.	Mr. Pushkar Khurana	3	0	0
3.	Mr. Mohan Jayakar	5	5	1
4.	Ms. Uma Acharya	1	2	0
5.	Mr. Sudhindra Rao	1	2	1

[^] Excluding Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate Directorship, Companies under Section 8 of the Companies Act, 2013.

^{^^} Includes only Audit Committees and Stakeholders Relationship Committees in all public limited companies including Everest Kanto Cylinder Limited

• Number of Board Meetings held, the dates on which held and attendance:

Five Board Meetings were held during the year on May 30, 2016, July 29, 2016, August 11, 2016, November 14, 2016 and February 9, 2017, as against the minimum requirement of four meetings. The Company has held at least one Board Meeting in every quarter and the maximum time gap between any two meetings was not more than four months.

D. Details of Board of Directors and their attendance at Board Meetings and last Annual General Meeting (AGM):

Director	Category	Attendance Particulars		
		Held	Attended	Attendance at Last AGM held on 26th September, 2016
Mr. P.K. Khurana	Promoter, Executive Chairman	5	5	Yes
Mr. Pushkar Khurana	Promoter, Non - Executive	5	2	No
Mr. Mohan Jayakar	Independent, Non - Executive,	5	4	No
Mrs. Uma Acharya	Independent, Non - Executive	5	4	Yes
Mr. Sudhindra Rao	Independent, Non - Executive	5	5	Yes
Mr. Naresh Oberoi*	Independent, Non - Executive	3	2	NA
Mr. Puneet Khurana^	Promoter, Non - Executive	5	3	Yes

* Resigned as a Director on August 20, 2016.

^ Resigned as Executive Director on February 9, 2017

• Board Meetings and Procedures

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served. The Chairman & Managing Director along with Chief Executive officer of the Company and other senior managerial personnel oversees the functional matters of the Company.

- Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- The Meetings are usually held at the Company's Registered Office at 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.
- All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at the Board/Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda of the Board/Committee Meetings. The Chairman of the Board and the Company Secretary in consultation with other concerned members of the Senior Management finalise the agenda for the Board Meetings. Every Board member can suggest additional items for inclusion in the Agenda. Agenda and Notes

on Agenda are circulated to the Directors, at least 7 days in advance, in the defined Agenda format. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. Additional or supplementary item(s) on the Agenda are taken up for discussion/decision with the permission of the Chairman.

- The Board is briefed about finance, sales, marketing, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company. All necessary information which includes but not limited to the items mentioned in various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board of Directors. The Members of the Board are free to bring up any matter for discussions at the Board Meetings and the functioning is democratic.
- To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. Senior management is invited to attend the Board Meetings as and when required, so as to provide additional inputs to the items being discussed by the Board.

- vi. The Minutes of the Board Meetings of unlisted subsidiary companies are tabled at the Board Meetings. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies.
- vii. The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. The minutes of each Board/Committee Meetings are circulated in draft to all Directors for their confirmation before being recorded in the Minutes book. The minutes are entered in the Minutes Book within 30 days from conclusion of the concerned meeting.

- **Role of Independent Directors**

Independent directors play a key role in the decision making process of the Board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of their fields of expertise as well as the boardroom practices helps faster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

- **Separate Meeting of Independent Directors:**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 9, 2017, all three Independent Directors were present at the meeting with no presence of Non-Independent Directors and Members of the Management for transacting following agenda:

- (i) Review the performance of Non-Independent Directors and the Board as a whole;
- (ii) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

- **Inter-se relationships among Directors**

Mr. P.K. Khurana is the father of Mr. Pushkar Khurana and Mr. Puneet Khurana (CEO).

Mr. Puneet Khurana has been appointed as Chief Executive Officer of the Company, w.e.f 10th February, 2017. Mr. Pushkar Khurana & Mr. Puneet Khurana are related to each other as brothers.

Mr. Mohan Jayakar is the uncle of Mrs. Uma Acharya.

Except the above, there are no inter-se relationships among the Directors.

- **None of the non executive independent Directors holds any equity shares of the Company.**

- **Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's business model, group structure, organization structure and such other areas. These programs also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company to enable them to make effective contribution and discharge their functions effectively, as a Board Member. The details on the Company's methodology of the Familiarization Program for IDs can be accessed at: <http://www.everestkanto.com/investor/policies>.

3. BOARD COMMITTEES

To enable better and focused attention of the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision making and report the same to the Board at the subsequent meetings.

A. AUDIT COMMITTEE

(a) *Terms of Reference*

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, inter alia, to oversee the accounting and financial reporting process of the Company, the audits of the

Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies etc.

The Audit Committee has been re-constituted during the year under the provisions of Section 177 of the Companies Act, 2013 and the terms of reference of the committee are:

- i. Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement and auditor's report is correct, sufficient and credible;
- ii. Recommend the appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report;
- vi. Reviewing, with the management, the quarterly financial statements and auditor's limited review reports before submission to the board for approval;
- vii. Reviewing, with the management, the statement of uses / application of funds raised through an

issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- viii. Reviewing, with the management, independence and/or performance of statutory and internal auditors;
- ix. Reviewing of adequacy and effectiveness of internal control systems and processes;
- x. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xi. Discussion with internal auditors any significant findings and follow up there on;
- xii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xiii. Evaluation of internal financial controls and risk management systems;
- xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- xvi. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- xvii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xviii. Scrutiny of inter-corporate loans and investments;
- xix. Valuation of undertakings or assets of the company, wherever it is necessary;

- xx. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxi. Carrying out any other functions as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

(b) Composition, Name of the Members and Chairperson

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it comprises of three Independent Non-Executive Directors and one Promoter Executive Director.

All the members of the Committee are financially literate and Mr. Sudhindra Rao, Chairman of the Audit Committee has adequate knowledge, experience and expertise in accounts and finance. The Company Secretary is the Secretary to the Audit Committee.

The Statutory Auditors, Internal Auditors and executives of Accounts & Finance Department are invited to attend all the meetings of the Committee. The Statutory Auditors and the Internal Auditors are present at the meetings for discussion on their broad findings.

The Composition of the Audit Committee and attendance of each Member at the Audit Committee meetings held during the year is as under:

Name of the Member	Designation	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Sudhindra Rao	Chairman	Independent & Non - Executive	4	4
Mr. Mohan Jayakar	Member	Independent & Non - Executive	4	2
Ms. Uma Acharya	Member	Independent & Non - Executive	4	3
Mr. P.K. Khurana*	Member	Promoter, Executive Chairman and Managing Director	0	0
Mr. Naresh Oberoi\$	Member	Independent & Non - Executive	2	2
Mr. Puneet Khurana^	Member	Promoter & Executive	4	3

* Appointed as Member w.e.f February 9, 2017

\$ Resigned as Member w.e.f August 20, 2016

^Resigned as an Executive Director and Member of the Committee w.e.f February 9, 2017.

(c) Meetings of the Audit Committee

Four meetings of the Audit Committee were held during the year ended March 31, 2017, on May 30, 2016, August 11, 2016, November 9, 2016 and February 9, 2017.

The gap between two Audit Committee Meetings was not more than four months.

B. NOMINATION AND REMUNERATION COMMITTEE

(a) Terms of Reference

The Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it comprises of three Independent Non-Executive Directors and one Promoter Non-Executive Director.

The terms of reference of the committee are:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director; and
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- While formulating the Policy, the Committee should ensure that-
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- vii. To carry out any other function as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time

(b) Composition, Name of the Members and Chairperson

Name of the Member	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Mohan Jayakar	Chairman	Independent & Non - Executive	2	2
Mr. Sudhindra Rao	Member	Independent & Non - Executive	2	2
Ms. Uma Acharya [^]	Member	Independent & Non - Executive	1	1
Mr. P.K. Khurana	Member	Promoter, Executive Chairman and Managing Director	2	2
Mr. Naresh Oberoi ^{\$}	Member	Independent & Non - Executive	1	1

[^] Appointed as Member w.e.f August 11, 2016

^{\$} Resigned as Member w.e.f August 20, 2016.

(c) Meetings of the Nomination & Remuneration Committee:

During the year under review, two meetings of the Committee were held on August 11, 2016 and February 9, 2017.

(d) Performance Evaluation criteria for Independent Directors:

Nomination and Remuneration Committee has set the performance evaluation criteria for Independent Directors and have formulated the performance evaluation framework, which has been circulated to all the Directors. The factors that are evaluated includes participation and contribution

by a Director, commitment, efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Terms of reference

Stakeholders' Relationship Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are:

- i. To consider and resolve the grievances of security holders of the Company;
- ii. To approve Transfer / Transmission / Dematerialisation / Rematerialisation of Equity Shares of the Company;
- iii. To approve issue of Duplicate/ Consolidated / Split Share Certificate(s);
- iv. To carry out such functions for redressal of shareholders' and investors' complaints, including but not limited to matters relating to transfer of shares, non-receipt of balance sheet, non-receipt of dividend and any other grievance that a shareholder or investor of the Company may have against the Company;
- v. To oversee the performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services; and
- vi. To do all other acts, deeds and things or otherwise deal with all matters in relation to the Shareholders and other Stakeholders; and
- vii. To carry out any other function as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

(b) Composition, Name of the Members and Chairman

Name of the Member	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Mohan Jayakar	Chairman	Independent & Non - Executive	2	2
Mr. Sudhindra Rao	Member	Independent & Non - Executive	2	2
Ms. Uma Acharya	Member	Independent & Non - Executive	2	2
Mr. P K Khurana [^]	Member	Promoter, Executive Chairman and Managing Director	0	0
Mr. Puneet Khurana [*]	Member	Promoter & Executive Director	2	1

[^] Appointed as Member w.e.f February 9, 2017.

^{*} Resigned as an Executive Director and Member of the Committee w.e.f February 9, 2017.

(a) Meetings of the Stakeholders' Relationship Committee

Two meetings of the Stakeholders' Relationship Committee for the year ended March 31, 2017 were held on November 14, 2016 and February 9, 2017.

(b) Name, Designation and Address of the Compliance Officer

Mr. Alok Bodas (wef. February 9, 2017)
Company Secretary & Compliance Officer
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai 400 021.
Tel.: 91 22 3026 8300 - 01
Fax: 91 22 2287 0720
Email: investors@ekc.in

(c) Investor Grievance Redressal

The total number of complaints received and replied to the satisfaction of shareholders during the year under review is as under:

Quarter Ended	Pending from earlier quarter	Received during the quarter	Resolved during the quarter	Pending at end of the quarter
Jun - 2016	0	0	0	0
Sep - 2016	0	0	0	0
Dec - 2016	0	0	0	0
Mar - 2017	0	0	0	0
Total	0	0	0	0

There were no requests for transfer and for dematerialization pending for approval as on 31st March, 2017.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent (R & T Agent), M/s. Link Intime India Private Limited attend to all the grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Most of the investors' grievances/correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the said R & T Agent and takes proactive steps and actions for resolving complaints/queries of the shareholders/ investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

(d) Equity Shares in the Suspense Account

As required under Regulation 34(3) and 53(f) read with Schedule V(F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 2110 Equity shares belonging to 10 shareholders are lying in the unclaimed securities suspense account as on 1st April, 2016 and 31st March, 2017. There was no movement in suspense account during the year. The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

(e) Remuneration of Directors
Nomination and Remuneration Policy

In accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formulated a Nomination and Remuneration Policy.

The policy has been posted on the Company's website. The web link for the policy is <http://www.everestkanto.com/codeofconduct.html>

The Nomination and Remuneration Policy of the Company considers various parameters like the performance of the Company, the current trends in the industry, the experience of the appointee(s), their past performance and other relevant factors for considering the remuneration payable to the Directors, Key Managerial personnel and other employees. The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of

merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

Pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report:

The Non-Executive Directors, except Mr. Pushkar Khurana, are paid sitting fees at the rate of ₹ 20,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of the Committees.

In view of the absence of profits during the financial year 2016-17, no commission has been paid to Non-Executive Directors.

In respect of the financial year 2016-17, the sitting fees paid to the Non - Executive Directors are as detailed below:

(in ₹)

Name	Sitting fees paid during the year 2016-17		Total
	For Board Meetings	For Committee Meetings	
Mr. Sudhindra Rao	100,000	80,000	1,80,000
Ms. Uma Acharya	80,000	60,000	1,40,000
Mr. Mohan Jayakar	80,000	60,000	1,40,000
Mr. Naresh Oberoi ^	40,000	30,000	70,000

Resigned as Director w.e.f August 20, 2016.

Criteria of making payments to non-executive directors.

i. Remuneration to Managing Director :

The appointment of the Managing Director is governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment.

Remuneration paid to the Managing Director is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders and as provided under the Companies Act, 2013.

In view of the losses during the Financial Year 2016-17, Mr. P. K. Khurana, Chairman and Managing Director, could draw the minimum remuneration of approx. ₹ 90 Lakhs per annum (excluding Contribution to Provident Fund, Superannuation Fund and Gratuity Fund) as per the limits provided under Schedule V to the Companies Act, 2013. However, Mr. P. K. Khurana has decided not to draw even this remuneration (from November 1, 2013) till the financial position of the Company improves.

4. GENERAL BODY MEETINGS

A. Annual General Meeting

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Financial Year	Date & Time	Venue	Special Resolutions passed
2016	26th September, 2016 at 11.00 am	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.	1. Reappointment of Mr. P. K. Khurana as Chairman and Managing Director. 2. Appointment of Mr. Puneet Khurana as Executive Director.
2015	28th September, 2015 11.00 a.m.	Half Centrum Hall, MVRDC, World Trade Centre-Mumbai, Centre-1, 1st Floor, Cuffe Parade, Mumbai - 400 005.	1. Approval of Investment by way of equity share capital in EKC Positron Gas Limited.
2014	2nd August, 2014 10.30 a.m.	M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.	1. Creation of Charge or Mortgage on any of Company's properties pursuant to Section 180(1)(a) of the Companies Act, 2013. 2. Borrowings of any sum for the purpose of the business of Company, which together with the monies already borrowed may exceed at any time the aggregate of the paid up capital and its free reserves by a sum not exceeding three times of the paid up capital and free reserves, pursuant to Section 180(1)(c) of the Companies Act, 2013.

B. Postal Ballot

During the year, the members of the Company approved the following matter through postal ballot on September 17, 2016 and its voting results of the postal ballot are as follows:

Sr No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
1.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 - For sell, lease or otherwise dispose of the whole or whole of the undertaking etc.	85.88%	99.97%	0.01%

Mr. Aashish Bhatt, Proprietor, M/s. Aashish K. Bhatt & Associates, practising company secretaries was appointed to act as the scrutiniser for the postal ballot process. The detailed procedure mentioned in the postal ballot notice, the scrutiniser's report and the voting results are available on the website of the Corporation.

There is no immediate resolution which is required to be passed through postal ballot under the provisions of the Companies Act, 2013.

PROCEDURE FOR POSTAL BALLOT

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CSDL.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the share registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are

announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.everestkanto.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, it approved by the requisite majority.

MEANS OF COMMUNICATION

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Business Standard' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: www.everestkanto.com.
- **Website:** The Company's website: www.everestkanto.com contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in submitting regular reports, certificate etc. electronically at <https://listing.bseindia.com>.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://www.connect2nse.com/LISTING>.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive email-id:** The Company has an exclusive email id – investors@ekc.in dedicated for prompt redressal of shareholders' queries, grievances etc.

GENERAL SHAREHOLDER INFORMATION
7.1 Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29200MH1978PLC020434.

7.2 38th Annual General Meeting:
Day, Date and Time:

Wednesday, September 27, 2017 at 11.00 a.m.

Venue: M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

7.3 Financial Calendar (tentative and subject to change)

Financial Year: 1st April, 2017 to 31st March, 2018

Results for the quarter ending 30th June, 2017

1st / 2nd week of September, 2017

Results for quarter ending 30th September, 2017

1st / 2nd week of November, 2017

Results for quarter ending 31st December, 2017

1st / 2nd week of February, 2018

Results for year ending 31st March, 2018

3rd / 4th week of May, 2018

Annual General Meeting

August / September, 2018

7.4 Book Closure Period

The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive), for the purpose of the 38th Annual General Meeting.

7.5 Dividend Payment Date

The Board of Directors has not proposed any dividend for the Financial Year 2016-17.

7.6 Listing on Stock Exchanges
Equity Shares

The Equity shares of the Company are listed on following stock exchanges:

1. BSE Limited (BSE),

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 532684

2. National Stock Exchange of India Limited (NSE),

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.
Trading Symbol: EKC

The International Securities Identification Number (ISIN) in respect of the said equity shares is INE184H01027.

Payment of Listing Fee

Annual listing fees payable to BSE and NSE for 2017-18 have been paid by the Company.

7.7 Stock Market Data

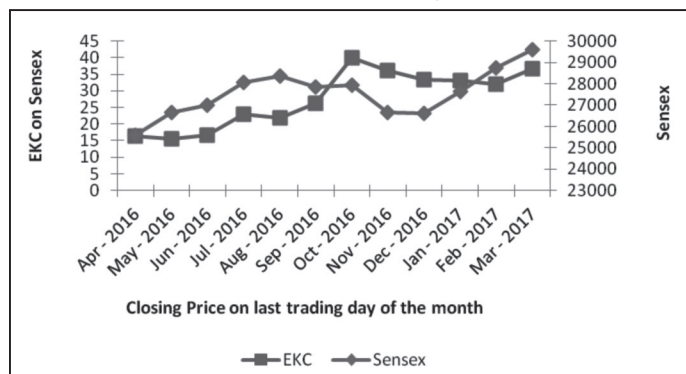
High, Low during each month and trading volumes of the Company's Equity Shares during the financial year 2016-17 at BSE and NSE are given below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded	Month's High Price (₹)	Month's Low Price (₹)	No. of Shares traded
April 2016	18.77	14.97	944485	18.8	15.3	2954463
May 2016	18.4	14.6	1110178	17.95	14.65	3423228
June 2016	17.9	14	1033067	18.1	13.95	3371288
July 2016	23.4	15.8	3144305	23.5	15.8	9851357
August 2016	23.45	18.6	1893024	23.15	18.7	6038166
September 2016	32.4	20.6	7260427	32.35	20.05	25604605
October 2016	42.3	25.85	10810573	42.2	25.7	34650890
November 2016	40.7	27.6	4441114	40.75	27.1	12181663
December 2016	37	29.55	2258164	37.2	29.5	6011093
January 2017	37.1	32.6	2363384	37.15	32.35	6946526
February 2017	38.25	31.5	2284794	38.3	31.5	7105514
March 2017	37.45	30	1984752	37.55	30	7437632

Source: BSE & NSE website

7.8 Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index (SENSEX) is given in the chart below:



Source: BSE website

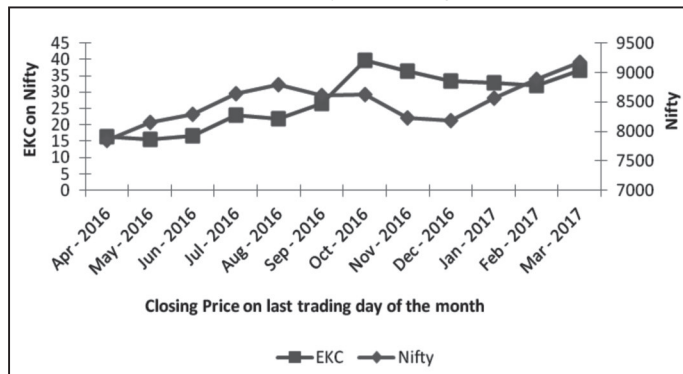
Liquidity

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

7.9 Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd.
C101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083.
Tel. : 91 22 49186000
Fax. : 91 22 49186060, Email: rnt.helpdesk@linkintime.co.in

The performance of the Company's shares relative to the NSE Sensitive Index (S&P CNX Nifty Index) is given in the chart below:



Source: NSE website

7.10 Share Transfer System

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

7.11 Statement showing Shareholding Pattern as on 31st March, 2017

Category of Shareholders	Number of shares	% of Shareholding
Shareholding of Promoter and Promoter Group	74,125,800	66.06
Mutual Funds	0	0.00
Central Government/state Government(s)	500	0.00
Financial Institutions / Banks	158,508	0.14
Foreign Institutional Investors	3,787,164	3.38
Bodies Corporate	4,282,572	3.82
Individual shareholders holding nominal share capital up to ₹ 1 lakh	20,996,807	18.71
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,580,404	4.08
Clearing Members	1,725,383	1.54
Non Resident Indians (Repat)	932,563	0.83
Non Resident Indians (Non Repat)	189,234	0.17
Foreign Companies	0	0.00
Other Directors	0	0.00
HUF	1,427,162	1.27
Physical	1585	0.00
TOTAL	112,207,682	100.00

7.11 Distribution of Shareholding by Size as on 31st March, 2017

No. of Shares held	No. of shareholders	% to No. of shareholders	No. of shares	% to No. of shares
1 - 500	34,754	81.80	5,244,841	4.67
501 - 1000	3,713	8.74	3,094,730	2.76
1001 - 2000	1,899	4.47	2,989,241	2.66
2001 - 3000	680	1.60	1,770,120	1.58
3001 - 4000	283	0.67	1,031,038	0.92
4001 - 5000	293	0.69	1,408,669	1.26
5001 - 10000	442	1.04	3,381,765	3.01
10001 and above	420	0.99	93,287,278	83.14
TOTAL	42,484	100	112,207,682	100

7.12 Dematerialization of shares as on 31st March, 2017

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
CDSL	13,998,476	12.48	16,518	38.51
NSDL	98,207,621	87.52	25,963	61.48
Sub – Total	112,206,097	100.00	42,481	100.00
Physical Form	1,585	0.00	3	0.00
Total	112,207,682	100	42,484	100.00

7.15 Plant Locations

The Company's plants are located at Kandla Special Economic Zone, Tarapur and Aurangabad:

Kandla Special Economic Zone	: Plot no. 525 to 542, 618, 619, 627 & 628, Sector - New Extended Area, Kandla Special Economic Zone, Gandhidham, Kutch - 370 230, Gujarat
Tarapur	: N-62, MIDC Industrial Area, Kumbhavali Naka, Tarapur - 401 506, Maharashtra
Aurangabad	: E-22, MIDC Area, Chikalthana, Aurangabad - 431 210, Maharashtra

Pursuant to the approval granted by the members through postal ballot on September 17, 2016, the Company has transferred its assets located at Gandhidham plant to Kandla Special Economic Zone plant.

7.16 Address for Correspondence

Shareholders' correspondence should be addressed to Company's Registrar & Share Transfer Agent at the address mentioned above. Shareholders may also contact Mr. Alok Bodas, Company Secretary, at the registered office of the Company for any assistance at:

Tel.: 91 22 3026 8300 – 01
Email: investors@ekc.in

7.17 Unclaimed Dividends

Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend accounts to the Investor Education and Protection Fund (IEPF) set up by Central Government. In accordance with the following schedule, the dividend for the years mentioned below, if remaining unclaimed within a period of seven years, will be transferred to IEPF:

Financial Year	Date of declaration of dividend	Dividend Per Share*	Due date for transfer to IEPF	Amount (₹)#
2009-10	27th July, 2010	1.20	1st September, 2017	235,674.60
2010-11	30th July, 2011	1.50	4th September, 2018	427,809.00
2011-12	11th August, 2012	0.25	15th September, 2019	113,715.75
2012-13	22nd July, 2013	0.20	2nd September, 2020	130,852.15
2013-14	N.A.	N.A.	N.A.	N.A.
2014-15	N.A.	N.A.	N.A.	N.A.
2015-16	N.A.	N.A.	N.A.	N.A.
2016-17	N.A.	N.A.	N.A.	N.A.

* Share of paid - up value of ₹ 2 each.

Amount unclaimed as at 31st March, 2017

Members who have so far not encashed their dividend warrants are requested to write to the Company/Registrar to claim the same in order to avoid transfer to IEPF. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

8. CEO and CFO Certification

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33.

9. Practicing Company Secretary's Certificate on Corporate Governance

Certificate from Practicing Company Secretary, M/s. Aashish K. Bhatt & Associates, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule II part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

10. Reconciliation of Share Capital Audit Report

The Reconciliation of Share Capital Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to BSE & NSE within 30 days of the end of each quarter.

11. Subsidiary Monitoring Framework

The Company has three wholly owned subsidiary companies viz., EKC International FZE, UAE, EKC Industries (Tianjin) Co. Ltd., China and EKC Industries (Thailand) Co. Ltd., Thailand, three step down wholly owned subsidiaries viz., EKC Hungary Kft, Hungary, CP Industries Holdings, Inc., USA and EKC Europe GmbH, Germany and three subsidiary companies viz., Calcutta Compressions & Liquefaction Engineering Ltd, EKC Positron Gas Limited and Next Gen Cylinders Private Limited. All these companies are Board managed with the respective Boards having the rights and obligations to manage the companies

in the best interest of their stakeholders. The Company monitors the performance of such companies, inter alia, by the following means:

- a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed periodically by the Audit Committee of the Company;
- b) All minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly; and
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

The Company has formulated the Policy on Material Subsidiaries w.e.f October 01, 2014. The web link of the policy is: <http://www.everestkanto.com/codeofconduct.html>

The Company does not have any material unlisted Indian subsidiary and, hence, is not required to nominate an Independent Director of the Company on the Board of any such subsidiary.

12. Code of Conduct

The Board has laid down a Code of Conduct and Ethics for all Board Members and Senior Management Personnel of the Company. The Code has been circulated to all the Board Members and the Senior Management and the same is available on the Company's website <http://www.everestkanto.com/investor/policies>. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2016-17.

13. Policy on Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time.

The Board has appointed the Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in

possession of unpublished Price Sensitive Information in relation to the Company during certain prohibited periods.

14. Details of the Director seeking re-appointment at the forthcoming Annual General Meeting:

Mr. Pushkar Khurana, who was appointed as a Director liable to retire by rotation under the provisions of Companies Act, 2013 and being eligible, has offered himself for re-appointment.

15. DISCLOSURES

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes to the Accounts - Note no. 9, forming part of the Annual Report and in Annexure No. 3 of the Report of Board of Director forming part of the Annual Report.

The Company's major related party transactions are generally with its Subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies, such as, synergy in operations, Company's long term strategy for optimization of market share, profitability, legal requirements, liquidity and capital resources of the Subsidiaries and Associates. All related party transactions are negotiated on arms length basis and are in the ordinary course of business of the Company and are intended to further the interests of the Company.

The statement of transactions with the related parties is duly placed before the Audit Committee and Board Meetings on a quarterly basis and the transactions are approved, ratified and noted, as the case may be, by the Audit Committee and the Board.

The Board of Directors of the Company has formulated and adopted a policy on Related Party Transactions w.e.f October 01, 2014. The Related Party Transactions were in accordance with and in confirmation with the Policy. The Policy has been placed on the website of the Company and the web link thereto in <http://www.everestkanto.com/codeofconduct.html>

B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during the last three years

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and, hence, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

C. Whistle Blower Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. Whistle Blower Mechanism forms a part of the Code of Conduct and Ethics for its Board and Senior Management Personnel wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. Such reports received will be reviewed by the Audit Committee from time to time. The confidentiality of those reporting the violations shall be maintained and they shall not be subjected to any discriminatory practice. No personnel have been denied access to the Audit Committee.

D. Adoption of Mandatory and Non-mandatory Requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with all the applicable mandatory requirements and has adopted the following non-mandatory requirements of under Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i. Disclosure of modified / unmodified opinion by the Auditors in their report.
- ii. Reporting by the Internal Auditor to the Audit Committee.

F. In line with the notification no. G.S.R. 352(E) dated May 10, 2012 from the Ministry of Corporate Affairs, the Company has uploaded on its website the information regarding the unpaid and unclaimed dividend as on the date of the last Annual General Meeting i.e. September 26, 2016 including the name and address of the shareholders who have not claimed the dividend, the amount to which the shareholders are entitled and the due date of transfer to Investor Education and Protection Fund Account.

ANNUAL CERTIFICATIONS

DECLARATION BY THE CEO UNDER SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Schedule V of Regulation 34(3) & Regulation 53(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct as applicable to them for the Financial Year ended March 31, 2017.

For and on behalf of the Board

Mumbai
May 30, 2017

Puneet Khurana
Chief Executive Officer

DISCLOSURE IN TERMS OF SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING PECUNIARY RELATIONSHIP

There are no pecuniary relationships or transactions of the Non- Executive Directors with the Company for the Financial Year ended March 31, 2017.

For and on behalf of the Board

Mumbai
May 30, 2017

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

DISCLOSURE IN TERMS OF SCHEDULE V (REGULATION 34(3) & REGULATION 53(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING INTER-SE RELATIONSHIPS BETWEEN DIRECTORS

Mr. P.K. Khurana (Chairman & Managing Director) is the father of Mr. Pushkar Khurana (Non-Executive Director) & Mr. Puneet Khurana (Chief Executive Officer). Mr. Pushkar Khurana & Mr. Puneet Khurana are related to each other as brothers. Mr. Mohan Jayakar (Independent Director) is the uncle of Mrs. Uma Acharya (Independent Director).

Except the above, there are no inter-se relationships among the Directors.

For and on behalf of the Board

Mumbai
May 30, 2017

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

CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members,
Everest Kanto Cylinder Limited**

We have examined the compliance of conditions of corporate governance by Everest Kanto Cylinder Limited ('the Company') for the year ended March 31, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("the Listing Regulations") as referred to in Regulations 15(2) of the Listing Regulations for the period from April 01, 2016 to March 31, 2017.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as

stipulated in the above mentioned Listing Agreement/ Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Aashish K. Bhatt & Associates
Practising Company Secretaries
(ICSI Unique Code S2008MH100200)

Mumbai
May 30, 2017

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

INDEPENDENT AUDITOR'S REPORT

To the Members of Everest Kanto Cylinder Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Everest Kanto Cylinder Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branch at Dubai.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these standalone financial statements.

Basis for Qualified Opinion

8. As stated in clause 18 of Note xxvii to the financial statements, the Company's current investments, as at 31 March 2017, include an investment amounting to ₹ 6,925.07 Lakhs (as at 31 March 2016: ₹ 6,925.07 Lakhs) in its wholly owned Subsidiary in China, EKC Industries (Tianjin) Company Ltd., whose financial statements as at 31 March 2017 indicate significant accumulated losses and net worth being fully eroded, however, as at 31 March 2017, a provision of only ₹ 5,500 Lakh (as at 31 March 2016: ₹ 3,500 Lakh) has been recognized in the books for diminution in value of investments, on an adhoc basis. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of this investment and the consequential impact, if any, on the accompanying financial statements. Our audit opinion for the year ended 31 March 2016 was also qualified in respect of this matter.
9. As detailed in clause 24 of Note xxvii to the financial statements, the Company's short term loans and advances and other current assets include inter-corporate deposit and accrued interest thereon aggregating ₹ 1,347.78 Lakhs (as at 31 March 2016 ₹ 1,347.78 Lakhs) and ₹ 376.31 Lakhs (as at 31 March 2016 ₹ 376.31 Lakhs), respectively. In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial statements. Our audit opinion for the year ended 31 March 2016 was also qualified in respect of this matter.

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the

Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

11. We draw attention to clause 26 of Note xxvii to the financial statements, regarding the delays in receipt of receivables and payment against the supply of goods amounting to ₹ 61.34 Lakhs and ₹ 6,351.90 Lakhs, respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from/to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial statements do not include any adjustments that may arise due to such delay/default. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c. the report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditor has been sent to us and have been properly dealt with by us in preparing this report;
 - d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the return received from the branch not visited by us;
 - e. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements

- comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- f. the three matters described in paragraph 8, 9 and 11 under the Emphasis of Matter paragraph and Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- g. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- h. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- i. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2017 as per Annexure B expressed Qualified Opinion;
- j. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in clause 2 of Note xxvii to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. the Company, as detailed in clause 28 of Note xxvii to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firms Registration No.: 001076N/N500013

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

Mumbai
30 May, 2017

Annexure A to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited, on the financial statements for the year ended 31 March, 2017

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Fixed Assets') are held in the name of the Company except for the following property:

(in ₹ in Lakh)

Nature of property	Total Number of Cases	Whether leasehold / freehold	Gross block as on 31 March 2017	Net block on 31 March 2017
Land	One	Leasehold	111.42	111.42

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakh)	Amount paid /adjusted under Protest (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	12.82	-	F.Y. 2000-01	Sales Tax Tribunal
		141.54	43.08	F.Y. 2005-06	Joint Commissioner of Sales Tax (Appeals)
		39.82	-	F.Y. 2006-07	
		6.42	-	F.Y. 2007-08	
		99.52	17.18	F.Y. 2008-09	
		14.16	-	F.Y. 2009-10	
		24.14	-	F.Y. 2010-11	
	Sales Tax (Lease Tax)	54.15	6.44	F.Y. 2011-12	Maharashtra Sales Tax Tribunal
		21.05	7.36	F.Y. 1993-94	
				F.Y. 1994-95	
				F.Y. 1995-96	
				F.Y. 1996-97	
				F.Y. 1997-98	
The Finance Act, 1994	Service Tax	5.38	0.20	F.Y 2011-12	Assistant Commissioner, Central Excise and Service Tax
Bombay Sales Tax Act, 1959	Bombay Sales tax	26.11	-	F.Y. 2000-01	Sales Tax Tribunal
The Income Tax Act, 1961	Income Tax	716.09	29.48	A.Y. 2010-11	High Court
		237.87	-	A.Y. 2011-12	Income Tax Appellate Tribunal
		787.49	605.33	A.Y. 2009-10	High Court
		112.39	98.11	A.Y 2008-09	High Court
The Gujarat Value Added Tax Act, 2003	Commercial Tax	14.99	7.84	F.Y. 2009-10	Joint Commissioner of Commercial Tax(Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	18.95	-	F.Y. 2005-06	Joint Commissioner of Sales Tax (Appeals)
		6.37	-	F.Y. 2006-07	
		147.43	-	F.Y. 2008-09	
		96.98	5.00	F.Y. 2009-10	
		60.80	14.00	F.Y. 2010-11	
		102.90	5.00	F.Y. 2011-12	

(viii) After receiving the approvals for rescheduling its loan from a bank, the Company has not defaulted in repayment of its loans or borrowings to any bank or financial institution during the year. The Company has no dues payable to debenture-holders during the year. The Company has defaulted in repayment of loans to the following governments:

Name of the Bank/ Government	Amount of default as on 31 March 2017 (₹ in Lakhs)	Period of default	Due Date	Remarks
Gujarat-State Government	286.41	April 2016 to September 2016	01-April-16	Delays of 43 to 155 days
Maharashtra-State Government	13.22	April 2016 to August 2016	26-April-16	Delay of 107 days

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firms Registration No.: 001076N/N500013

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

Mumbai
30 May, 2017

Annexure B to the Independent Auditor's Report of even date to the members of Everest Kanto Cylinder Limited, on the standalone financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Everest Kanto Cylinder Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included

obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified opinion

8. According to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2017;

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of (a) 'other-than-temporary' diminution in the value of the Company's investments in its subsidiaries and (b) recoverability of its inter-corporate deposit and accrued interest thereon included in short term loans and advances and other current assets respectively. The inadequate supervisory and review controls over Company's process to determine the 'other-than-temporary' diminution in the value of the aforesaid investments and recoverability of its inter-corporate deposit and accrued interest thereon in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the value of investment in such subsidiaries and value of inter-corporate deposit and accrued interest thereon included in short term loans and advances and other current assets respectively & consequently, also impact the Profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

Qualified opinion

9. In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2017, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firms Registration No.: 001076N/N500013

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

Mumbai
30 May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	(i)	2,244.15	2,244.15
(b) Reserves and Surplus	(ii)	12,595.44	5,415.15
		<u>14,839.59</u>	<u>7,659.30</u>
2 Non-Current Liabilities			
(a) Long-Term Borrowings	(iii)	14,651.31	23,653.89
(b) Deferred Tax Liabilities / Assets (Net)	(iv)	-	-
(c) Long-Term Provisions	(v)	101.75	94.12
		<u>14,753.06</u>	<u>23,748.01</u>
3 Current Liabilities			
(a) Short-Term Borrowings	(vi)	6,504.59	7,518.89
(b) Trade Payables	(vii)		
(i) Outstanding dues to Micro, Small and Medium Enterprises		198.75	159.31
(ii) Outstanding dues to Other than Micro, Small and Medium Enterprises		10,137.23	11,880.55
(c) Other Current Liabilities	(viii)	22,400.74	12,291.32
(d) Short-Term Provisions	(ix)	8.18	13.08
		<u>39,249.49</u>	<u>31,863.15</u>
TOTAL		<u>68,842.14</u>	<u>63,270.46</u>
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	(x)		
(i) Tangible Assets		19,315.36	25,338.10
(ii) Intangible Assets		12.90	31.94
(iii) Capital Work-in-Progress		712.05	2,374.51
		<u>20,040.31</u>	<u>27,744.55</u>
(b) Non-Current Investments	(xi)	3,679.74	3,669.74
(c) Long-Term Loans and Advances	(xii)	1,483.07	1,536.86
(d) Other Non-Current Assets	(xiii)	65.00	185.00
		<u>5,227.81</u>	<u>5,391.60</u>
2 Current Assets			
(a) Current Investments	(xiv)	1,427.79	3,427.67
(b) Inventories	(xv)	9,510.88	10,766.91
(c) Trade Receivables	(xvi)	5,032.66	4,075.06
(d) Cash and Bank Balances	(xvii)	531.97	485.51
(e) Short-Term Loans and Advances	(xviii)	5,389.47	7,280.25
(f) Other Current Assets	(xix)	21,681.25	4,098.91
		<u>43,574.02</u>	<u>30,134.31</u>
TOTAL		<u>68,842.14</u>	<u>63,270.46</u>
Significant Accounting Policies and Explanatory Information	(xxvii)		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
I. Revenue from Operations	(xx)	24,406.08	17,076.89
II. Other Income	(xxi)	694.27	425.06
III. Total Revenue (I + II)		25,100.35	17,501.95
IV. Expenses:			
Cost of Materials Consumed	(xxii)	14,606.67	11,776.93
Purchases of Stock-in-Trade		590.33	101.79
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(xxiii)	(1432.07)	1,239.61
Employee Benefits Expense	(xxiv)	1,535.00	1,367.47
Finance Costs	(xxv)	3,602.06	4,716.44
Depreciation and Amortization Expense	(x)	1,475.08	1,695.08
Other Expenses	(xxvi)	5,455.83	4,654.84
Total Expenses		25,832.90	25,552.16
V. (Loss) from Ordinary Activities before Foreign Exchange Variation Gain/ (Loss), Exceptional Items and Tax (III - IV)		(732.55)	(8,050.21)
VI. Foreign Exchange Variation Gain/ (Loss)		385.65	(405.81)
VII. (Loss) from Ordinary Activities before Exceptional Items and Tax (V + VI)		(346.90)	(8,456.02)
VIII. Exceptional Items Gain/ (Loss) (net) [Refer Clause No. 17 to 23 of Note xxvii]		7,527.19	(2,934.42)
IX. Profit / (Loss) before Tax (VII + VIII)		7,180.29	(11,390.44)
X. Tax Expense :			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Tax Adjustments for Earlier Years (Net)		-	105.68
XI. Net Profit / (Loss) for the Year (IX - X)		7,180.29	(11,496.12)
XII. Earnings per Equity Share [Refer Clause No. 8 of Note xxvii]:			
(1) Basic		6.40	(10.73)
(2) Diluted		6.40	(10.73)
Significant Accounting Policies and Explanatory Information	(xxvii)		

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) for the Year before Taxation	7,180.29	(11,390.44)
Add / (Deduct):		
(a) Depreciation/ Amortisation Expense	1,475.08	1,695.08
(b) Unrealised Foreign Exchange Variation (Gain)/ Loss	(308.55)	267.68
(c) Loss on Assets Sold/ Discarded	1,477.52	46.15
(d) Impairment of Assets held for sale	690.63	-
(e) Profit on Sale of Assets	(12,926.85)	-
(f) Excess Provision Written Back	(323.39)	(19.82)
(g) Liabilities no longer required Written Back	(100.31)	-
(h) Finance Costs	3,602.06	4,716.44
(i) Interest Income	(57.96)	(249.96)
(j) Dividend on Current Investments (Non-Trade)	(0.12)	(0.14)
(k) Benefit on Closure of Borrowing Obligation	-	(507.73)
(l) Diminution in value for slow and non-moving Inventory items	487.84	615.68
(m) Sundry Balances Write Off	20.45	161.27
(n) Bad Debts / Advances Write Off	213.38	-
(o) Provision for Doubtful Debts (Net)	24.55	327.18
(p) Provision for Doubtful Deposits, Loans and Advances	43.87	926.47
(q) Provision for Diminution in Value of Investments	2,000.00	2,000.00
	(3,681.80)	9,978.30
Operating Profit/ (Loss) before Working Capital Changes	3,498.49	(1,412.14)
Adjustments for:		
(a) Decrease in Inventories	768.19	3,014.15
(b) Decrease in Trade and Other Receivables	1,087.32	608.76
(c) (Decrease)/ Increase in Trade and Other Payables	(830.15)	8,092.24
	1,025.36	11,715.15
Cash Inflow from Operations	4,523.85	10,303.01
Deduct:		
Direct Taxes Paid	207.33	50.78
Net Cash generated from Operating Activities (A)	4,316.52	10,252.23
B) CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
(a) Dividend Income on Investments	0.12	0.14
(b) Interest Income Received	50.74	611.46
(c) Advance Received against Sale of Land	1,320.00	-
(d) Sale of Fixed Assets	488.45	31.50
	1,859.31	643.10
Outflow:		
(a) Purchases of Current Investments (Net)	0.12	0.13
(b) Investment in Subsidiary	10.00	3.63
(c) Purchase of Fixed Assets (including capital advances)	1,019.14	238.34
	1,029.26	242.10
Net Cash generated from Investing Activities (B)	830.05	401.00

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Inflow:		
(a) Working Capital/Short Term Loan Availed during the Year (Net)	-	-
(b) Proceeds from issue of Equity Shares	-	808.00
	<u>-</u>	<u>808.00</u>
Outflow:		
(a) Fixed Loans Repaid during the Year	666.47	4,348.12
(b) Working Capital/Short Term Loans Repaid during the Year (Net)	927.31	1,769.57
(c) Finance Costs Paid	3,691.75	5,141.25
(d) Dividend Paid	1.09	1.73
	<u>5,286.62</u>	<u>11,260.67</u>
Net Cash used in Financing activities (C)	<u>(5,286.62)</u>	<u>(10,452.67)</u>
Net Increase / (Decrease) in Cash/Cash Equivalents (A+B+C)	(140.05)	200.56
Add: Balance of Cash/Cash Equivalents at the Beginning of the Year	277.50	76.94
Cash/Cash Equivalents at the Close of the Year	137.45	277.50
<u>Cash/Cash Equivalents at the Close of the Year</u>		
Cash and Bank Balances as per Note (xvii)	531.97	485.51
Less: Other Bank Balances not in nature of Cash and Cash Equivalents	(394.52)	(208.01)
	<u>137.45</u>	<u>277.50</u>

Notes:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Previous year's figures have been reclassified / regrouped wherever necessary.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(i) Share Capital		
Authorised		
125,000,000 (PY:125,000,000) Equity Shares of ₹ 2 each	<u>2,500.00</u>	<u>2,500.00</u>
Issued		
112,207,682 (PY:112,207,682) Equity Shares of ₹ 2 each	<u>2,244.15</u>	<u>2,244.15</u>
Subscribed & Fully Paid up		
112,207,682 (PY:112,207,682) Equity Shares of ₹ 2 each fully paid up	<u>2,244.15</u>	<u>2,244.15</u>
Total	<u>2,244.15</u>	<u>2,244.15</u>

(a) **Reconciliation of Number of Shares**

Equity Shares	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	(₹ in Lakh)	Number of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the year	112,207,682	2,244.15	107,157,682	2,143.15
Shares issued during the year	-	-	5,050,000	101.00
Shares outstanding at the end of the year	112,207,682	2,244.15	112,207,682	2,244.15

During the previous year, the Company had made preferential allotment of 5,050,000 Equity Shares having face value of ₹ 2 each at a premium of ₹ 14 per share pursuant to the approval of its shareholders at the Extra Ordinary General Meeting held on 22nd March, 2016.

(b) **Rights, Preferences and Restrictions attached to Shares**

The Company has only one class of Equity Shares having a par value of ₹ 2 per Share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the share holding.

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares Held	Percentage of Shares Held	Number of Shares Held	Percentage of Shares Held
Khurana Gases Private Limited (Promoter)	17,577,203	15.66	17,577,203	15.66
Suman Khurana (Promoter)	15,230,691	13.57	15,230,691	13.57
P. K. Khurana (Promoter)	12,218,000	10.89	12,218,000	10.89
Pushkar Prem Kumar Khurana (Promoter)	7,503,973	6.69	7,503,973	6.69
Puneet Prem Kumar Khurana (Promoter)	7,662,933	6.83	7,503,973	6.69

(ii) **Reserves and Surplus**

a. Capital Reserve	1,015.22	1,015.22
b. Securities Premium		
Opening Balance	24,789.64	24,082.64
Additions during the Year [Refer Note (i)(a)]	-	707.00
Closing Balance	<u>24,789.64</u>	<u>24,789.64</u>
c. General Reserve	7,491.00	7,491.00

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
d. Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(27,880.71)	(16,380.04)
Net Profit / (Loss) for the Year	7,180.29	(11,496.12)
Transitional adjustment on account of Schedule II to Companies Act, 2013*	-	(4.55)
Closing Balance	(20,700.42)	(27,880.71)
Total	12,595.44	5,415.15
* Represent the written down value of the fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013. These balances have been adjusted against the opening balance of Retained Earnings in accordance with the transitional provision mentioned under the Companies Act, 2013.		
(iii) Long-Term Borrowings		
<u>Secured</u>		
Term Loans from Banks		
- Indian Rupee Loan [Refer Clause No. 1(a)(ii) of Note xxvii]	10,598.58	20,598.58
- Foreign Currency Loan [Refer Clause No. 1(a)(i) of Note xxvii]	972.58	-
Vehicle Loan from Financial Institution [Refer Clause No. 1(c) of Note xxvii]	5.27	-
	11,576.43	20,598.58
<u>Unsecured</u>		
Term loans		
- Sales Tax Deferment Loan [Refer Clause No. 1(d) of Note xxvii]	587.88	881.31
- Loans from Related Parties [Refer Clause No. 1(e) of Note xxvii]	2,487.00	2,174.00
	3,074.88	3,055.31
Total	14,651.31	23,653.89
(iv) Deferred Tax Liabilities / Assets (Net)		
Deferred Tax Liability on account of:		
- Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,639.26	3,698.08
Deferred Tax Assets on account of:		
- Provision for Employee Benefits	38.04	37.10
- Provision for Doubtful Debts / Deposits / Advances	442.87	614.94
- Unabsorbed Depreciation and Business Loss as per Tax Laws*	3,158.35	3,046.04
	3,639.26	3,698.08
Net Deferred Tax Liabilities / Assets	-	-
*Limited to the amount of Deferred Tax Liabilities less other Deferred Tax Assets, on the grounds of prudence.		
(v) Long-Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	48.20	59.51
- Gratuity (Funded) (Net) [Refer Clause No. 14 of Note xxvii]	53.55	34.61
Total	101.75	94.12
(vi) Short-Term Borrowings		
<u>Secured</u>		
Working Capital facilities from Banks [Refer Clause No.1(b) of Note xxvii]	6,504.59	7,518.89
Total	6,504.59	7,518.89

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(vii) Trade Payables		
(a) Dues to Micro, Small and Medium Enterprises	198.75	159.31
(b) Dues to Others [Refer Clause No. 26 of Note xxvii]	10,137.23	11,880.55
Total	10,335.98	12,039.86
(a) The disclosure required under MSMED Act is as under		
- Principal amount due to suppliers under MSMED Act	198.75	159.31
- Interest accrued and due to suppliers under MSMED Act on the above amount unpaid	-	-
- Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
- Interest paid to suppliers under MSMED Act (Other than Section 16)	-	-
- Interest paid to suppliers under MSMED Act (Section 16)	-	-
- Interest due and payable to suppliers under MSMED Act for payment already made	-	-
- Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act	-	-
Note: This above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME and has been relied upon by the Statutory auditors of the Company.		
(viii) Other Current Liabilities		
(a) Current Maturities of Long-Term Borrowings		
- Indian Rupee Term Loan from Bank [Refer Clause No.1(a)(ii) of Note xxvii]	10,000.00	97.85
- Foreign Currency Term Loan From Bank [Refer Clause No. 1(a)(i) of Note xxvii]	1,685.80	3,316.65
- Vehicle Loan from Financial Institution [Refer Clause No.1(c) of Note xxvii]	4.37	-
- Sales Tax Deferment Loan [Refer Clause No.1(d) of Note xxvii]	297.03	297.86
(b) Interest Accrued but not due on Borrowings	208.24	246.56
(c) Interest Accrued and due on Borrowings	-	51.37
(d) Unclaimed Dividends*	8.91	10.00
(e) Payable towards Capital Expenditure	437.48	298.71
(f) Advances from Customers	1,275.99	7,044.08
(g) Deposits	46.12	44.87
(h) Statutory Dues	210.34	399.69
(i) Advance Received against Sale of Land [Refer Clause No.19 of Note xxvii]	1,320.00	-
(j) Liability towards repayment of advances received from customers	6,280.30	-
(k) Other Liabilities (Accrued expenses)	626.16	483.68
Total	22,400.74	12,291.32
* There is no amount due to be transferred to the Investor Education and Protection Fund as at the year end.		
(ix) Short-Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	8.18	13.08
Total	8.18	13.08

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lakh)

(x) Fixed Assets

Particulars	Gross Block				Depreciation / Amortization				Net Block		
	Balance as at 1 st April, 2016	Additions	Disposals / Assets held for Disposal**	Balance As at 31 st March, 2017	Balance as at 1 st April, 2016	Depreciation/ Amortisation charge for the year	On Disposals/ Transfer*** / Assets held for Disposal**	Adjustments*	Balance As at 31 st March, 2017	Balance As at 31 st March, 2017	Balance As at 31 st March, 2016
a. Tangible Assets											
Freehold Land	315.74	48.63	131.77	232.60	-	-	-	-	-	232.60	315.74
Leasehold Land #	266.97	-	-	266.97	163.90	1.29	-	-	165.19	101.78	103.07
Buildings ##	9,387.97	39.81	3,503.44	5,924.34	2,689.33	185.20	892.07	-	1,982.46	3,941.88	6,698.64
Plant and Equipment	32,271.37	362.51	4,040.99	28,592.89	15,555.64	996.21	2,117.07	-	14,434.78	14,158.11	16,715.73
Furniture and Fixtures	285.88	5.51	47.16	244.23	222.34	17.52	44.08	-	195.78	48.45	63.54
Vehicles***	193.88	51.70	8.75	236.83	60.00	27.09	4.43	-	82.66	154.17	133.88
Office Equipment	194.21	8.20	1.56	200.85	163.85	11.68	1.43	-	174.10	26.75	30.36
Computers	781.21	16.13	5.68	791.66	568.86	97.88	5.40	-	661.34	130.32	212.35
Gas Cylinders	549.62	-	-	549.62	290.17	11.58	-	-	301.75	247.87	259.45
Gas Cylinders given on Lease	19.81	-	5.63	14.18	6.39	0.50	5.34	-	1.55	12.63	13.42
Electrical Installation	1,627.51	46.04	1,084.39	589.16	835.59	106.31	613.54	-	328.36	260.80	791.92
Total (a)	45,894.17	578.53	8,829.37	37,643.33	20,556.07	1,455.26	3,683.36	-	18,327.97	19,315.36	25,338.10
Previous Year Total (a)	45,844.07	209.47	159.37	45,894.17	18,964.58	1,668.66	81.72	4.55	20,556.07	25,338.10	
b. Intangible Assets											
Computer Software	244.75	0.78	-	245.53	212.81	19.82	-	-	232.63	12.90	31.94
Total (b)	244.75	0.78	-	245.53	212.81	19.82	-	-	232.63	12.90	31.94
Previous Year Total (b)	244.75	-	-	244.75	186.39	26.42	-	-	212.81	31.94	
Total (a+b)	46,138.92	579.31	8,829.37	37,888.86	20,768.88	1,475.08	3,683.36	-	18,560.60	19,328.26	25,370.04
Previous Year Total	46,088.82	209.47	159.37	46,138.92	19,150.97	1,695.08	81.72	4.55	20,768.88	25,370.04	
c. Capital Work In Progress**										712.05	2,374.51

Notes:

Execution of lease deed for land acquired at Tarapur Plant is pending, ₹ 111.42 Lakh (Previous Year ₹ 111.42 Lakh).

Includes ₹ 750/- (Previous Year ₹ 750/-) paid for shares acquired in co-operative societies.

* Represents the written down value of the fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013. These balances have been adjusted against the opening balance of Retained Earnings in line with the transitional provision mentioned under The Companies Act, 2013.

** Also refer Clause No. 19, 20, 21 and 25 of Note xxvii.

*** Includes vehicles in the personal name of directors having gross block of ₹ 118.50 Lakh and written down value of ₹ 87.65 Lakh (Previous year - Gross block ₹ 118.50 Lakh and written down value ₹ 104.39 Lakh).

Loans availed by the Company are secured by way of first / second pari passu charge on all fixed assets at the Aurangabad, Tarapur, Gandhidham and Kandla units. A loan availed by one of step down subsidiaries from bank is secured by way of first charge on the movable fixed assets at Kandla unit to the extent of the loan amount.



NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xi) Non-Current Investments (Cost, unless stated otherwise) (Unquoted)		
A. Trade Investments [Refer (a) below]		
Investment in Equity Instruments	4,066.51	4,056.51
Less : Provision for diminution in the value of Investments [Refer Clause No.17 of Note xxvii]	(431.72)	(431.72)
Total (A)	3,634.79	3,624.79
B. Other Investments [Refer (b) below]		
Investment in Equity Instruments	244.95	244.95
Less : Provision for diminution in the value of Investments [Refer Clause No.16 of Note xxvii]	(200.00)	(200.00)
Total (B)	44.95	44.95
Total	3,679.74	3,669.74

(a) Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Special Purpose Entity/ Others	Face Value /Share	Number of Shares		Partly Paid /Fully paid	Extent of Holding (%)		Amount (₹ in Lakh)		Whether stated at Cost Yes/No	If Answer to Column (12) is 'No'- Basis of Valuation
				2017	2016		2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Instruments											
i	EKC International FZE	Subsidiary Company	AED 1,000,000	1	1	Fully Paid	100.00	100.00	124.12	124.12	Yes	NA
	EKC International FZE	Subsidiary Company	AED 1	16,203,619	16,203,619	Fully Paid	100.00	100.00	1,993.27	1,993.27	Yes	NA
ii	Calcutta Compressions & Liquefaction Engineering Ltd. (Refer Clause No. 17 of Note xxvii)	Subsidiary Company	INR 10	1,606,950	1,606,950	Fully Paid	72.65	72.65	238.88	238.88	No	Fully provided for Diminution in Value
			INR 10	3,214,000	3,214,000	Partly Paid (₹ 6/- each) (P.Y. ₹ 6/- each)			192.84	192.84		
iii	EKC Industries (Thailand) Co. Ltd.	Subsidiary Company	THB 1000	100,000	100,000	Fully Paid	100.00	100.00	1,503.77	1,503.77	Yes	NA
iv	EKC Positron Gas Ltd.	Subsidiary Company	INR 10	36,325	36,325	Fully Paid	72.65	72.65	3.63	3.63	Yes	NA
v	Next Gen Cylinder Private Limited	Subsidiary Company	INR 10	100,000	-	Fully Paid	100.00	-	10.00	-	Yes	NA
	Total								4,066.51	4,056.51		

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017
(b) Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Special Purpose Entity/ Others	Face Value /Share	Number of Shares		Partly Paid /Fully paid	Extent of Holding (%)		Amount (₹ in Lakh)		Whether stated at Cost Yes/No	If Answer to Column (12) is 'No' - Basis of Valuation
				2017	2016		2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Instruments											
i	Everest Kanto Investment & Finance Pvt. Ltd.	Others	INR 10	115,000	115,000	Fully Paid	9.58	9.58	39.10	39.10	Yes	NA
ii	GPT Steel Industries Pvt. Ltd. (Refer Clause No. 16 of Note xxvii)	Others	INR 10	2,000,000	2,000,000	Fully Paid	0.79	0.79	200.00	200.00	No	Fully provided for Diminution in Value
iii	Tarapur Environment Protection Society	Others	INR 100	5,852	5,852	Fully Paid	-	-	5.85	5.85	Yes	NA
	Total								244.95	244.95		

(xii) Long-Term Loans and Advances

(Unsecured, Considered Good (unless otherwise stated))

a. Capital Advances
b. Security Deposits

Considered Good

Considered Doubtful

Less: Provision for Doubtful Deposits

c. Advance Tax and Tax Deducted at Source

[Net of Provisions ₹ 3,432.33 Lakh (Previous Year ₹ 3,432.33 Lakh)]

Total
(xiii) Other Non-Current Assets

Bank Deposits Maturing Over 12 months*

Total

* Margin against Bank Guarantees and Letter of Credit facilities availed from bank.

As at
31st March, 2017
(₹ in Lakh)

As at
31st March, 2016
(₹ in Lakh)

41.43
93.76
435.28
644.07
254.00
254.00
(254.00)
(254.00)
435.28
644.07
1,006.36
799.03
1,483.07
1,536.86
65.00
185.00
65.00
185.00

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xiv) Current Investments		
(Unquoted, At lower of Cost and Market Value)		
A. Trade Investments		
- Investment in Equity Instruments of a Subsidiary [Refer (a)(i) below]	6,925.07	6,925.07
Less : Provision for diminution in the value of Investment [Refer Clause No.18 of Note xxvii]	(5,500.00)	(3,500.00)
Total	1,425.07	3,425.07
B. Other Investments		
- Investments in Mutual Funds [Refer (a)(ii) below]	2.72	2.60
Total	1,427.79	3,427.67

(a) Details of Current Investments

Particulars	Number of Shares / Units		Amount (₹ In Lakh)	
	At at 31st March, 2017	At at 31st March, 2016	At at 31st March, 2017	At at 31st March, 2016
(i) Trade Investments				
- Investment in Equity Instruments of a Subsidiary EKC Industries (Tianjin) Co. Ltd.	16,670,000	16,670,000	6,925.07	6,925.07
(ii) Other Investments				
- Investments in Mutual Funds				
LIC Liquid Fund-Dividend Plan	149.51	142.72	1.63	1.56
UTI Liquid Fund-Cash Plan Institutional - Daily Income	106.44	101.56	1.09	1.04
Total			6,927.79	6,927.67

(xv) Inventories

(Valued at Lower of Cost and Net Realisable Value)

a. Raw Materials and Components [Refer Clause No. 11(a) of Note xxvii]	2,860.88	4,847.95
Less: Provision for Diminution in Value [Refer Clause No. 22 of Note xxvii]	(759.39)	(615.68)
	2,101.49	4,232.27
b. Work-in-Progress [Refer Clause No. 11(b) of Note xxvii]	6,988.16	3,958.23
Less: Provision for Diminution in Value [Refer Clause No. 22 of Note xxvii]	(344.13)	-
	6,644.03	3,958.23
c. Finished Goods [Refer Clause No. 11(c) of Note xxvii]	696.08	2,541.67
d. Stock-in-Trade [Refer Clause No. 11(d) of Note xxvii]	30.22	-
e. Stores and Spares	39.06	34.74
Total	9,510.88	10,766.91

(xvi) Trade Receivables

[Unsecured, Considered Good (unless otherwise stated)]

Trade receivables outstanding for a period exceeding six months from the date they became due for payment [Refer Clause No. 26 of Note xxvii]

Considered Good	231.61	802.07
Considered Doubtful	783.08	1,324.28
Less: Provision for Doubtful Debts	(783.08)	(1,324.28)
	231.61	802.07
Others [Includes ₹ 925.86 Lakh due from Subsidiaries (Previous Year ₹ 1,208.37 Lakh)]	4,801.05	3,272.99
	4,801.05	3,272.99
Total	5,032.66	4,075.06

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xvii) Cash and Bank Balances		
Cash and Cash Equivalents [Refer Clause No. 28 of Note xxvii]		
a. Cash on Hand*	25.69	41.80
b. Balances with Banks		
- In Current Accounts*	110.66	235.28
- In EEFC Account*	1.10	0.42
	<u>137.45</u>	<u>277.50</u>
Other Bank Balances		
a. Security against Guarantees	383.60	194.05
b. Bank Deposits with more than 3 months, but less than 12 months maturity	2.01	3.96
c. Earmarked Balances - Unpaid Dividend Accounts	8.91	10.00
	<u>394.52</u>	<u>208.01</u>
Total	<u>531.97</u>	<u>485.51</u>
*There are no repatriation restrictions, in respect of Cash and Bank Balances.		
(xviii) Short-Term Loans and Advances		
(Unsecured, Considered Good (unless otherwise stated))		
a. Loans and Advances to Related Parties		
Considered Good	2,576.00	2,671.56
Considered Doubtful	138.31	94.44
Less: Provision for Doubtful Loans and Advances	<u>(138.31)</u>	<u>(94.44)</u>
	2,576.00	2,671.56
b. Advances Recoverable in Cash or Kind or for Value to be Received		
- Balance with Government Authorities	271.96	480.61
- Advances paid to Suppliers	880.94	2,633.06
[Includes ₹ 635.03 Lakh due from Subsidiaries (Previous Year ₹ 2472.76 Lakh)]		
- Prepaid expenses	59.85	103.40
c. Inter Corporate Deposit* [Refer Clause No. 24 of Note xxvii]	1,347.78	1,347.78
d. Security Deposits	238.54	20.00
e. Others (Employee advances)	14.40	23.84
Total	<u>5,389.47</u>	<u>7,280.25</u>
*The Inter Corporate Deposit is secured as at March 31, 2017.		
(xix) Other Current Assets		
(Unsecured, Considered Good (unless otherwise stated))		
a. Current Deposits	20.72	25.72
[Includes ₹ 10.00 Lakh (Previous Year ₹ 10.00 Lakh), a Security Deposit to a private company in which directors are directors / members]		
b. Interest Receivable		
- Banks	52.19	34.67
- Subsidiaries	2,040.38	2,100.04
- Others [Refer Clause No. 24 of Note xxvii]	399.94	403.25
c. Assets held for disposal		
[Refer Clause No. 19,20, 21 and 25 of Note xxvii]	3,077.98	1,471.24
d. Receivable against Sale of Fixed Assets [Refer Clause No. 19 of Note xxvii]	16,021.47	-
e. Other Receivables:		
Considered Good	68.57	63.99
Considered Doubtful*	104.59	104.59
Less: Provision for doubtful Receivables	<u>(104.59)</u>	<u>(104.59)</u>
	68.57	63.99
Total	<u>21,681.25</u>	<u>4,098.91</u>
* [Includes ₹ 104.59 Lakh due from Subsidiaries (Previous Year ₹ 104.59 Lakh)]		

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
(xx) Revenue from Operations		
Sale of Products		
- Manufactured Goods	25,873.92	18,577.43
- Traded Goods	652.52	136.55
Less: Excise Duty	2,485.69	1,795.41
	<u>24,040.75</u>	<u>16,918.57</u>
Other Operating Revenues		
- Scrap Sales	273.58	97.41
- Testing and Inspection Fees	76.94	22.90
- Others	14.81	38.01
Total	<u>24,406.08</u>	<u>17,076.89</u>
(xxi) Other Income		
Interest		
- Loans / Inter Corporate Deposit	-	182.55
- Fixed Deposits	27.23	37.45
- Others	30.73	29.96
Dividend Income on Investments	0.12	0.14
Other Non-Operating Income (Net)		
- Commission	44.94	53.42
- Excess Provision Written Back	323.39	19.82
- Liabilities no Longer Required Written Back	100.31	-
- Lease Rent	4.32	87.91
- Profit on Sale of Fixed Assets (Net)	3.47	-
- Maturity proceeds under Keyman insurance policy	148.50	-
- Miscellaneous Income	11.26	13.81
Total	<u>694.27</u>	<u>425.06</u>
(xxii) Cost of Materials Consumed		
Opening Inventory	4,847.95	6,678.25
Add: Purchases	12,619.60	9,946.63
	<u>17,467.55</u>	<u>16,624.88</u>
Less: Closing Inventory	2,860.88	4,847.95
Total [Refer Clause No. 10(a) and (b) of Note xxvii]	<u>14,606.67</u>	<u>11,776.93</u>
(xxiii) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Inventory		
- Finished Goods	2,541.67	2,001.21
- Work-in-Progress	3,958.23	5,678.11
- Stock-in-Trade	-	-
	(A) <u>6,499.90</u>	<u>7,679.32</u>
Closing Inventory		
- Finished Goods [Refer Clause No. 11(c) of Note xxvii]	696.08	2,541.67
- Work-in-Progress [Refer Clause No. 11(b) of Note xxvii]	6,988.16	3,958.23
- Stock-in-Trade [Refer Clause No. 11(d) of Note xxvii]	30.22	-
	(B) <u>7,714.46</u>	<u>6,499.90</u>
	(A-B) <u>(1,214.56)</u>	<u>1,179.42</u>
(Add)/ Less : Variation in Excise Duty on Finished Goods	(217.51)	60.19
Total	<u>(1,432.07)</u>	<u>1,239.61</u>

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
(xxiv) Employee Benefits Expense		
Salaries, Wages and Other Benefits [Refer Clause No.14 of Note xxvii]	1,406.49	1,255.56
Contributions to Provident and Other Funds	64.78	64.98
Staff Welfare Expenses	63.73	46.93
Total	1,535.00	1,367.47
(xxvi) Finance Costs		
Interest Expense		
- Borrowings	3,492.54	4,467.76
- Others*	58.16	61.33
Other Borrowing Costs	39.16	32.00
Net Loss on Foreign Currency Transactions and Translations	12.20	155.35
Total	3,602.06	4,716.44
*Includes Interest on Statutory Dues ₹ 0.23 Lakh (Previous Year ₹ 41.24 Lakh).		
(xxvii) Other Expenses		
Consumption of Stores and Spares [Refer Clause No. 10(c) of Note xxvii]	704.48	391.59
Power and Fuel	1,876.16	1,271.66
Water Charges	61.40	40.33
Repairs and Maintenance		
- Building	14.20	8.74
- Plant and Equipment	39.27	19.24
- Others	46.98	31.69
Labour Charges	286.13	152.38
Rent	248.27	279.64
Insurance	88.79	89.26
Rates and Taxes, excluding Taxes on Income	227.71	383.54
Payment to Auditors*	63.56	46.44
Directors' Sitting Fees and Commission	5.32	6.50
Legal and Professional Fees	314.35	225.66
Loss on Assets Scrapped / Discarded	-	46.15
Travelling and Conveyance	157.77	162.03
Security Expenses	68.25	61.76
Bad Debts / Advances Write Off [Net of provision for doubtful receivables ₹ 242.36 Lakh (31st March 2016: NIL)]	213.38	-
Sundry Balances Write Off	20.45	161.27
Provision for Doubtful Debts (Net)	24.55	327.18
Provision for Doubtful Deposits and Inter Corporate Deposit	-	100.00
Bank Charges and Commission	75.38	45.34
Packing and Forwarding	89.43	63.08
Carriage and Freight	439.21	299.01
Advertisement and Sales Promotion	48.03	48.12
Commission on Sales	16.73	24.65
Miscellaneous Expenses	326.03	369.58
Total	5,455.83	4,654.84
*Payment to Auditors		
a. Statutory Audit Fees	33.50	19.50
b. Tax Audit	4.75	4.75
c. Limited Review Fees	22.25	20.25
d. Certification	2.28	1.57
e. Reimbursement of Expenses	0.78	0.37
Total	63.56	46.44

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. xxvii : SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Borrowings:

(a) Term Loans:

(i) Foreign Currency Term Loan of US\$ 5.00 Million from a bank is secured by way of (a) first pari passu charge on entire fixed assets both present and future (excluding residential flat at Cuffe Parade, Mumbai and office premises situated at Nariman Point, Mumbai) (b) Second pari passu charge on current assets of the Company (both present and future) (c) Unconditional and irrevocable personal guarantees from three promoter directors (d) non-disposal undertaking of shareholding of the Company in its subsidiaries located in China and Dubai (e) pledge of 29.99% of the shares held by the Company in its subsidiaries located in China and Dubai. The loan is repayable in bullet in May 2018. The interest rate of the Borrowings is 6 Months' LIBOR plus 5.0% per annum.

(ii) Indian Rupee Term Loan from another bank up to ₹ 32,500.00 Lakh is secured by way of (a) first pari passu charge on all the fixed assets of the Company, excluding specific immovable properties (b) second pari passu charge on the current assets of the Company (c) pledge of 29.99% of the shares of the Company held by the promoters (d) pledge of all the shares of the subsidiaries held by the Company (e) unconditional and irrevocable personal guarantees from three promoter directors and (f) exclusive charge on certain residential and commercial immovable properties owned by the Company, promoters, group companies/firms. The loan is repayable in quarterly unequated installments by October 2020. The interest rate of the Borrowing is 11% per annum.

(b) Working Capital facilities from banks are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on all the fixed assets (excluding specific fixed assets) of the Company. One of the banks has been secured by personal guarantees from two directors and one other bank has been secured with personal guarantee from a director. Two of the banks have been provided additional security over separate specific immovable properties of the Company. The interest rate of the Cash Credit facilities ranges from 11% to 12.75% per annum.

(c) Vehicle Loan from Financial Institution is repayable in 35 monthly installments, with the last installment falling due in April 2019. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 10.83% per annum.

(d) The Interest-free Sales Tax Deferment Loan is repayable in six equal annual installments, with the last installment falling due in financial year 2018-19.

(e) Unsecured loans from related parties are repayable on demand and carry interest rate of 12% per annum. However, as per the terms of the loans, repayment of loans cannot be demanded before 1 April 2018.

2. Contingent Liabilities in respect of:

Particulars	As at 31st March 2017 (₹ in Lakh)	As at 31st March 2016 (₹ in Lakh)
(a) Disputed Tax Matters		
- Income Tax	1853.84	1,546.72
- Sales Tax and Value Added Tax	867.10	972.59
- Lease Tax	21.05	21.05
- Service Tax	5.38	-
Future cash flows in respect of the above are determinable only on pronouncements of judgments/ decisions pending with various forums/ authorities.		
(b) Corporate Guarantees given on behalf of a subsidiary and a step down subsidiary	7,780.63	10,944.93
Amounts outstanding there against corporate guarantees	5,887.27	8,213.97
(c) Claims against the Company not acknowledged as Debts	50.75	51.75
(d) Bonds executed in favour of Government Authorities [Also refer Clause No. 12 of Note xxvii]	693.17	19.94

3. Commitments:

Particulars	As at 31st March 2017 (₹ in Lakh)	As at 31st March 2016 (₹ in Lakh)
(a) Estimated value of contracts remaining to be executed on Capital Account and not provided for (net of advances)	149.95	218.44
(b) Uncalled amount on partly paid Equity Shares of a Subsidiary Company	128.56	128.56

4 Foreign Currency exposures that are not hedged by derivative instruments or otherwise:

Particulars	As at 31st March 2017		As at 31st March 2016	
	Amount in Foreign Currency (₹ in Lakh)		Amount in Foreign Currency (₹ in Lakh)	
Trade Receivables - USD	265,248	171.98	246,676	163.63
Trade Receivables - Euro	140,248	97.12	64,897	48.73
Receivables against Sale of Assets - USD	24,709,476	16,021.47	-	-
Trade Payables - USD	13,612,780	8,826.34	11,712,467	7,769.22
Trade Payables - AED	1,708,025	300.91	1,708,137	307.31
Trade Payables - Euro	21,902	15.17	19,133	14.37
Advance to Suppliers / Others - Thai Baht	276,610	5.20	276,610	5.19
Advances to Suppliers / Others - USD	1,701,433	1,103.19	86,687	57.50
Advances to Suppliers / Others - Euro	594	0.41	-	-
Advance received from Customers - USD	497,183	322.37	10,140,562	6,726.53
Advance received from Customers - EURO	-	-	5,034	3.78
Liability towards repayment of advance received from customers- USD	9,686,051	6,280.30	-	-
Loans Given - USD	3,269,320	2,119.78	3,269,320	2,168.63
Loans Borrowed - USD	6,718,621	4,356.26	6,224,256	4,128.73
Bank Balances - USD	1,689	1.10	633	0.42
Bank Balances - AED	557,383	98.20	554,233	99.71
Interest Payable - USD	24,367	15.80	80,201	53.20
Interest Receivable - USD (Net of Provision)	3,156,236	2,046.46	3,156,236	2,093.62

5. A Value of Imports calculated on C.I.F. basis in respect of:

Particulars	As at 31st March 2017 (₹ in Lakh)	As at 31st March 2016 (₹ in Lakh)
(i) Raw Materials and Components	10,895.22	8,565.08
(ii) Stores, Spares, etc.	94.58	45.00
(iii) Capital Goods	410.37	30.02

B. Expenditure in Foreign Currency in respect of:

Particulars	As at 31st March 2017 (₹ in Lakh)	As at 31st March 2016 (₹ in Lakh)
(i) Travelling	20.73	32.94
(ii) Interest	219.56	210.81
(iii) Others	19.56	80.97

6. Earnings in Foreign Currency:

Particulars	As at 31st March 2017 (₹ in Lakh)	As at 31st March 2016 (₹ in Lakh)
(i) Export of Goods calculated on F.O.B. basis	274.41	505.82
(ii) Exports of Consumables/ RM Pipe on F.O.B. basis	193.37	136.03
(iii) Exports of Capital Goods on F.O.B. basis	1.40	3.29
(iv) Exports of Stock-in-Trade on F.O.B. basis	453.80	-
(v) Commission for Bank Guarantees	44.94	53.42
(vi) Interest on Loans given (Net of Provision)	-	80.40
(vii) Gain from sale of Specified Assets at Gandhidham [Also refer Clause No. 19 of Note xxvii]	12,923.38	-

7. Assets on Operating Lease:

(a) Assets Taken on Operating Lease:		
The total future minimum lease rentals payable against Cancellable / Non-cancellable leases at the Balance Sheet date are as under:		
For a period not later than one year	134.37	85.59
For a period later than one year and not later than five years	75.35	3.00
For a period later than five years	-	-
(b) Assets Given on Operating Lease:		
Cylinders		
(i) Gross Carrying Amount	14.18	19.81
Depreciation for the year	0.50	8.07
Accumulated Depreciation	1.55	6.39
(ii) The total future minimum lease rentals receivable against Cancellable / Non-cancellable leases at the Balance Sheet date are as under:		
For a period not later than one year	-	4.32
For a period later than one year and not later than five years	-	-
For a period later than five years	-	-

8. Computation of Earnings Per Share:

Net Profit/(Loss) for the Year	7,180.29	(11,496.12)
Weighted Average Number of Equity Shares	112,207,682	107,171,518
Number of Equity Shares outstanding at the end of the year	112,207,682	112,207,682
Nominal Value per share (in ₹)	2.00	2.00
Basic and Diluted Earnings Per Share (in ₹)	6.40	(10.73)

9. Related Parties Disclosures:
1. Relationships:

- (a) Subsidiary Companies :
 - EKC Industries (Tianjin) Co. Limited, China
 - EKC International FZE, UAE
 - EKC Industries (Thailand) Co. Limited, Thailand
 - Calcutta Compressions & Liquefaction Engineering Limited (C C & L), India
 - EKC Positron Gas Limited, India
 - Next Gen Cylinder Private Limited
- (b) Step Down Subsidiary Companies :
 - EKC Hungary Kft, Hungary
 - EKC Europe GmbH, Germany
 - CP Industries Holdings Inc., USA
- (c) Other Related Parties where Promoters, Directors & Relatives exercise significant influence :
 - Everest Kanto Investment and Finance Private Limited
 - Khurana Gases Private Limited
 - Medical Engineers (India) Limited
 - Khurana Fabrication Industries Private Limited
 - Khurana Exports Private Limited
 - Everest Industrial Gases Private Limited
 - Khurana Charitable Trust

- Khurana Education Trust
- G.N.M. Realtors Private Limited
- Ukay Valves & Founders Private Limited
- Jayakar & Partners
- NGGT Infotek Private Limited
- (d) Key Management Personnel :
 - Mr. Prem Kumar Khurana (Chairman and Managing Director)
 - Mr. Puneet Khurana (Chief Executive Officer) (Since 10th Feb 2017)
 - Mr. Vipin Chandok (Chief Financial Officer) (Till 27th August, 2015)
 - Mr. Kishore Thakkar (Chief Financial Officer) (Since 6th November, 2015)
 - Mr. Alok Bodas (Company Secretary) (Since 9th February, 2017)
 - Ms. Bhagyashree Kanekar (Company Secretary) (Till 14th November, 2016)
- (e) Relatives of Key Management Personnel, with whom transactions have taken place:
 - Mr. S.S. Khurana
 - Mrs. Suman Khurana
 - Mr. Pushkar Khurana
 - Mr. Varun Khurana

2. Transactions with Related Parties during the year :

(₹ in Lakh)

Nature of Transactions	Related parties referred in				
	1 (a) above	1 (b) above	1 (c) above	1 (d) above	1 (e) above
Sales:					
Goods	89.57	-	-	-	-
– EKC International FZE	(258.19)	(-)	(-)	(-)	(-)
Goods	-	-	-	-	-
– EKC Industries (Thailand) Co. Limited	(39.99)	(-)	(-)	(-)	(-)
Goods	1.08	-	-	-	-
– C C & L	(3.99)	(-)	(-)	(-)	(-)
Goods	-	169.37	-	-	-
– EKC Europe GmbH	(-)	(172.26)	(-)	(-)	(-)
Goods	-	30.42	-	-	-
– CP Industries Holdings Inc.	(-)	(-)	(-)	(-)	(-)
Goods	-	-	397.27	-	-
– Medical Engineers (India) Limited	(-)	(-)	(536.62)	(-)	(-)
Consumable stores and spares	105.62	-	-	-	-
– EKC International FZE	(108.19)	(-)	(-)	(-)	(-)
Fixed Assets	1.41	-	-	-	-
– EKC International FZE	(3.29)	(-)	(-)	(-)	(-)
Fixed Assets	-	-	6.12	-	-
– Medical Engineers (India) Limited	(-)	(-)	(-)	(-)	(-)
Other Income:					
Lease Rent	-	-	-	-	-
– C C & L	(77.43)	(-)	(-)	(-)	(-)
Purchases:					
Raw materials and components	2,644.49	-	-	-	-
– EKC International FZE	(2,531.11)	(-)	(-)	(-)	(-)
Raw materials and Components	4,295.56	-	-	-	-
– EKC Industries (Tianjin) Co. Limited	(3,771.78)	(-)	(-)	(-)	(-)
Raw materials and Components	-	-	-	-	-
– EKC Industries (Thailand) Co. Limited	(162.00)	(-)	(-)	(-)	(-)
Raw materials and Components	-	-	-	-	-
– CP Industries Holdings Inc.	(-)	(1.29)	(-)	(-)	(-)
Fixed Assets	410.37	-	-	-	-
– EKC Industries (Tianjin) Co. Limited	(30.02)	(-)	(-)	(-)	(-)

(₹ in Lakh)

Nature of Transactions	Related parties referred in				
	1 (a) above	1 (b) above	1 (c) above	1 (d) above	1 (e) above
Fixed Assets	-	-	-	-	-
– Medical Engineers (India) Limited	(-)	(-)	(1.46)	(-)	(-)
Fixed Assets	-	-	-	-	-
– Khurana Gases Private Limited	(-)	(-)	(6.50)	(-)	(-)
Fixed Assets	-	-	-	-	-
– Everest Kanto Investment Finance Limited	(-)	(-)	(112.25)	(-)	(-)
Fixed Assets	-	-	-	-	-
– Prem Kumar Khurana	(-)	(-)	(-)	(12.00)	(-)
Consumables	-	-	-	-	-
– Medical Engineers (India) Limited	(-)	(-)	(1.15)	(-)	(-)
Expenses / Payments:					
Remuneration					
– Puneet Khurana	-	-	-	10.07	-
	(-)	(-)	(-)	(-)	(-)
– Vipin Chandok	-	-	-	-	-
	(-)	(-)	(-)	(18.14)	(-)
– Bhagyeshree Kanekar	-	-	-	4.04	-
	(-)	(-)	(-)	(5.44)	(-)
– Alok Bodas	-	-	-	0.77	-
	(-)	(-)	(-)	(-)	(-)
Professional fees					
– Kishore Thakkar	-	-	-	27.14	-
	(-)	(-)	(-)	(11.25)	(-)
– Others	-	-	11.56	-	-
	(-)	(-)	(-)	(-)	(-)
Rent					
– Everest Industrial Gases Private Limited	-	-	30.00	-	-
	(-)	(-)	(36.00)	(-)	(-)
– Khurana Fabrication Industries Private Limited	-	-	16.05	-	-
	(-)	(-)	(33.32)	(-)	(-)
– Khurana Exports Private Limited	-	-	39.93	-	-
	(-)	(-)	(39.60)	(-)	(-)
– Khurana Gases Private Limited	-	-	13.88	-	-
	(-)	(-)	(13.70)	(-)	(-)
– Others	-	-	-	3.00	9.04
	(-)	(-)	(-)	(3.00)	(9.00)
Other Expenses	0.82	8.38	11.43	-	-
	(81.77)	(5.30)	(12.36)	(-)	(0.97)
Reimbursement of expenses	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Finance and Investments :					
Commission Income					
– EKC International FZE	44.91	-	-	-	-
	(50.40)	(-)	(-)	(-)	(-)
– CP Industries Holdings Inc.	-	0.03	-	-	-
	(-)	(3.02)	(-)	(-)	(-)
Interest from Subsidiaries					
– EKC Industries (Tianjin) Co.Limited	-	-	-	-	-
	(80.40)	(-)	(-)	(-)	(-)
– C C & L	-	-	-	-	-
	(26.56)	(-)	(-)	(-)	(-)
Interest Expenses					
– Khurana Gases Private Limited	-	-	76.87	-	-
	(-)	(-)	(74.93)	(-)	(-)
– Everest Kanto Investment and Finance Private Limited	-	-	196.47	-	-
	(-)	(-)	(176.20)	(-)	(-)

(₹ in Lakh)

Nature of Transactions	Related parties referred in				
	1 (a) above	1 (b) above	1 (c) above	1 (d) above	1 (e) above
– Khurana Exports Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)
– Khurana Fabrication Industries Private Limited	- (-)	- (-)	14.87 (4.10)	- (-)	- (-)
Loans repaid during the year					
– Everest Kanto Investment and Finance Private Limited	- (-)	- (-)	6.81 (135.00)	- (-)	- (-)
– Khurana Gases Private Limited	- (-)	- (-)	28.93 (404.00)	- (-)	- (-)
Loans taken during the Year					
– Everest Kanto Investment and Finance Private Limited	- (-)	- (-)	102.81 (1,303.50)	- (-)	- (-)
– Khurana Gases Private Limited	- (-)	- (-)	182.93 (723.00)	- (-)	- (-)
– Khurana Fabrication Industries Private Limited	- (-)	- (-)	63.00 (38.25)	- (-)	- (-)
Balances Outstanding : (#)					
Payables					
– EKC International FZE	12,007.45 (6,679.00)	- (-)	- (-)	- (-)	- (-)
– EKC Industries (Tianjin) Co. Ltd.	1,681.64 (3,781.94)	- (-)	- (-)	- (-)	- (-)
– CP Industries Holdings Inc.	- (-)	1,180.66 (980.32)	- (-)	- (-)	- (-)
– EKC Europe GmbH	- (-)	11.67 (-)	- (-)	- (-)	- (-)
– EKC Industries (Thailand) Co. Limited	158.67 (162.32)	- (-)	- (-)	- (-)	- (-)
– Khurana Gases Private Limited	- (-)	- (-)	- (15.60)	- (-)	- (-)
– Everest Kanto Investment and Finance Private Limited	- (-)	- (-)	- (36.02)	- (-)	- (-)
– Khurana Exports Private Limited	- (-)	- (-)	0.53 (0.91)	- (-)	- (-)
– Everest Industrial Gases Private Limited	- (-)	- (-)	- (1.54)	- (-)	- (-)
– Khurana Fabrication Industries Private Limited	- (-)	- (-)	- (3.84)	- (-)	- (-)
– Others	- (-)	- (-)	0.36 (-)	0.37 (2.35)	- (-)
Loans given (*)					
– EKC Industries (Tianjin) Co. Limited	2,119.83 (2,168.68)	- (-)	- (-)	- (-)	- (-)
– C C & L	582.73 (582.73)	- (-)	- (-)	- (-)	- (-)
Advance Given					
– EKC Industries (Tianjin) Co. Limited	630.38 (2,468.13)	- (-)	- (-)	- (-)	- (-)
– EKC Industries (Thailand) Co. Limited	4.64 (4.64)	- (-)	- (-)	- (-)	- (-)
Advance From					
– EKC International FZE	305.82 (5,432.00)	- (-)	- (-)	- (-)	- (-)
– Medical Engineers (India) Limited	- (-)	- (-)	45.77 (7.09)	- (-)	- (-)

(₹ in Lakh)

Nature of Transactions	Related parties referred in				
	1 (a) above	1 (b) above	1 (c) above	1 (d) above	1 (e) above
Loans taken					
– Everest Kanto Investment and Finance Private Limited	- (-)	- (-)	1,685.00 (1,589.00)	- (-)	- (-)
– Khurana Gases Private Limited	- (-)	- (-)	667.00 (513.00)	- (-)	- (-)
– Khurana Fabrication Industries Private Limited	- (-)	- (-)	135.00 (72.00)	- (-)	- (-)
Investment					
– Next Gen Cylinder Private Limited	10.00 (-)	- (-)	- (-)	- (-)	- (-)
Other Receivables					
– EKC International FZE	49.28 (48.72)	- (-)	- (-)	- (-)	- (-)
– EKC Industries (Tianjin) Co. Limited	2,066.89 (2,120.01)	- (-)	- (-)	- (-)	- (-)
– Khurana Exports Private Limited	- (-)	- (-)	10.00 (10.00)	- (-)	- (-)
– CP Industries Holdings Inc.	- (-)	32.16 (3.07)	- (-)	- (-)	- (-)
– C C & L	823.67 (830.67)	- (-)	- (-)	- (-)	- (-)
– EKC Industries (Thailand) Co. Limited	41.82 (42.78)	- (-)	- (-)	- (-)	- (-)
– EKC Europe GmbH	- (-)	107.36 (94.04)	- (-)	- (-)	- (-)
– Medical Engineers (India) Limited	- (-)	- (-)	- (370.27)	- (-)	- (-)
– Kishore Thakkar	- (-)	- (-)	- (-)	11.75 (11.75)	- (-)
– Puneet Khurana	- (-)	- (-)	- (-)	- (-)	- (2.84)
Personal Guarantee from Promoter Directors for Borrowings by the Company (@)	- (-)	- (-)	28,544.38 (29,477.42) (jointly by Promoter Directors)		
Corporate Guarantees outstanding on behalf of subsidiaries					
– EKC International FZE	5,887.27 (7,840.85)	- (-)	- (-)	- (-)	- (-)
– CP Industries Holdings Inc.	- (-)	- (373.12)	- (-)	- (-)	- (-)

Foreign currency balances are restated at year end rates.

* Loans given to subsidiaries and loans raised by subsidiaries backed by guarantees given on their behalf have been utilised by them for acquisition of fixed assets and for working capital.

@ Personal Guarantees given to banks of ₹ 40,000.00 Lakh and US\$ 5 Mn (₹ 40,000.00 Lakh and US\$ 5 Mn as on March 31, 2016) by Promoter Directors for the Term Loans and Working Capital Loans against which ₹ 28,544.38 Lakh (₹ 29,477.42 Lakh as on March 31, 2016) were outstanding as at the end of the year.
(Previous year figures are in brackets).

10. A Break up of Raw Materials Consumed :

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Quantity (Metric Tonnes)	(₹ In Lakh)	Quantity (Metric Tonnes)	(₹ in Lakh)
Seamless Tubes with Incidental Costs	19,063.05	13,087.77	11,675.44	10,416.63
Components	-	1,145.91	-	832.55
Others	-	372.99	-	527.75
Total	-	14,606.67	-	11,776.93

B Details of Imported and Indigenous Raw Materials Consumed :

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	%	(₹ In Lakh)	%	(₹ in Lakh)
Imported	89.58	13,085.18	92.52	10,896.55
Indigenous	10.42	1,521.49	7.48	880.38
Total	100.00	14,606.67	100.00	11,776.93

C Details of Imported and Indigenous Stores and Spares consumed

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	%	(₹ In Lakh)	%	(₹ in Lakh)
Imported	-	-	-	-
Indigenous	100.00	704.48	100.00	391.59
Total	100.00	704.48	100.00	391.59

11. Details of Inventory

Particulars	(₹ in Lakh)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
a Raw Materials and Components		
Seamless Tubes	1,400.02	3,215.86
Plates	983.52	1,119.19
Billet	4.91	15.08
Components	472.43	497.82
Total	2,860.88	4,847.95
b Work-in-Progress		
Seamless Tubes	6,661.48	3,565.27
Plates	326.68	392.96
Total	6,988.16	3,958.23
c Finished Goods		
Cylinders	696.08	2,541.67
Total	696.08	2,541.67
d Stock-in-Trade		
Castor Oil	22.58	-
Fire Fighting Equipments	7.64	-
Total	30.22	-

Particulars	(₹ in Lakh)	
	Year ended 31st March, 2017	Year ended 31st March, 2016

Change in present value of obligation:

Obligation at beginning of the year	173.22	164.30
Current Service Cost	15.78	20.13
Interest Cost	13.98	13.99
Actuarial (Gain)/ Loss	(0.03)	5.16
Benefits paid	(8.47)	(30.36)
Obligation at the end of the year	194.48	173.22

Change in Plan assets (Managed by LIC):

Fair value of Plan Assets at beginning of the year	138.61	157.40
Expected Return on Plan Assets	11.89	14.12
Actuarial (Loss)	(1.10)	(2.55)
Contributions	-	-
Benefits Paid	(8.47)	(30.36)
Fair Value of plan assets at end of the year	140.93	138.61

Break up of categories of plan assets:

Government Securities	-	-
Bonds, Corporate Debt and Non-Convertible debentures	-	-
Equity Investment in 'A' Group Shares (Predominantly)	-	-
Insurer Managed Funds	100%	100%

Reconciliation of present value of the obligation and the fair value of plan assets and amounts recognized in the Balance Sheet:

Present value of obligation at the end of the year	194.48	173.22
Fair Value of plan assets at the end of the year	140.93	138.61
Net Liability recognized in the Balance Sheet	53.55	34.61

Gratuity cost recognised for the year:

Current Service Cost	15.78	20.13
Interest Cost	13.98	13.99
Expected return on plan assets	(11.89)	(14.12)
Actuarial Loss	1.07	7.71
Net Gratuity Cost	18.94	27.71

12. Bonds / Undertakings given by the Company under concessional duty / exemption schemes to government authorities (net of obligations fulfilled) aggregate ₹ 693.17 Lakh as at the close of the year (March 31, 2016: ₹ 19.94 Lakh).

13. During the year 2016-17, the Chairman & Managing Director (CMD) was entitled to remuneration of ₹ 93.17 Lakh (March 31, 2016: ₹ 61.19 Lakh) as per Schedule V to the Companies Act, 2013. However, the CMD has voluntarily decided not to draw any remuneration from the Company.

14. In accordance with Accounting Standard (AS) 15 – 'Employee Benefits', an amount of ₹ 57.42 Lakh (Previous Year ₹ 57.85 Lakh) as contribution towards defined contribution plans is recognised as expense in the Statement of Profit and Loss. The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by Life Insurance Corporation of India (LIC)) are given below:

₹ in Lakh

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013
Assumptions:					
Discount Rate	7.15%	7.70%	7.95%	9.00%	7.95%
Rate of growth in salary levels *	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)	Assured Lives Mortality (2006-08)
Expected Rate of Return on Assets	8.00%	8.00%	8.75%	7.50%	7.50%
Withdrawal Rate	3% to 7.50%	3% to 7.50%	3% to 7.50%	3% to 7.50%	3% to 7.50%
Present Value of Obligations	194.48	173.22	164.3	161.67	170.83
Fair Value of Plan Assets	140.93	138.61	157.4	155.85	174.25
Surplus / (Deficit) in the Plan	(53.55)	(34.61)	(6.90)	(5.82)	3.42
Experience Adjustments					
- On Plan Liabilities	(8.86)	1.53	(7.90)	21.32	(13.21)
- On Plan Assets	1.10	2.55	2.58	(0.58)	1.42

Expected Employer's Contribution next year ₹ 40.00 Lakh (Previous Year ₹ 35.00 Lakh)

* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

15. In accordance with Accounting Standard – 17 'Segment Reporting', segment information has been given in the Consolidated Financial Statements of the Company, therefore, no separate disclosure on Segment information is given in these financial statements.

16. As at 31st March, 2017, the Company has an investment of ₹ 200 Lakh (₹ 200 Lakh as at 31st March, 2016) in 2,000,000 Equity Shares of GPT Steel Industries Private Limited (GPT). Based on the latest audited financial statements of GPT, its Net Worth is substantially eroded. The Company had made an assessment during the year 2010-11 and had accordingly provided for 100% diminution in value of investments made in GPT. The position as at 31st March, 2017 remains the same.

17. As at 31st March, 2017, the Company is holding a majority stake of ₹ 431.72 Lakh (₹ 431.72 Lakh as at 31st March, 2016) in its subsidiary, Calcutta Compression & Liquefaction Engineering Limited (CC&L). Further, the Company has trade receivables, loans and other receivables, aggregating ₹ 1,406.40 Lakh (₹ 1,413.40 Lakh as at 31st March, 2016) due from it. The Net Worth of CC&L has fully eroded. Provision for impairment of ₹ 43.87 Lakh (Previous year ₹ 826.47 Lakh) towards trade receivables, loans and other receivables have been made based on management's assessment of the recoverable value of the loans and receivables. This provision has been disclosed as an Exceptional Item in the Statement of Profit and Loss.

18. Since 31st March, 2013, the investment in equity shares, amounting to ₹ 6,925.07 Lakh of EKC Industries (Tianjin) Company Ltd., the subsidiary in China, has been considered as current investment pursuant to the decision of the Board of Directors of the Company to dispose off the investment in the subsidiary by sale of the equity shares or in any other manner most beneficial to the Company. Accordingly, the amounts recoverable as loans and advances and interest thereon aggregating to ₹ 4167.20 Lakh as on 31st March, 2017

(₹ 4,295.76 Lakh as at 31st March, 2016) have been classified as current. The Company is of the considered view based on the assessment of the relevant factors, such as, the long term nature of the investment, future business prospects in the markets in which EKC Industries (Tianjin) Company Ltd. operates, expected appreciation in the fair value of the assets of EKC Industries (Tianjin) Company Ltd., etc., that no provision for the diminution in the value of the Investment is required. However, on conservative basis, during the current year, an amount of ₹ 2,000 Lakh (Previous year ₹ 2,000 Lakh) has been provided towards such diminution and has been disclosed as an Exceptional Item in the Statement of Profit and Loss. The total provision towards such diminution as at 31 March, 2017 stands at ₹ 5,500 Lakh (₹ 3,500 Lakh as at 31st March, 2016).

19. During the year ended 31 March 2017, the Company has entered into an agreement towards sale of building, electrical installations along with land appurtenant thereto (the "Specified Assets"), situated at Gandhidham, for an aggregate consideration of USD 29 Million. Pursuant to this transaction and subsequent realizations post year end, the Company has recognised sale of the Specified Assets (except agricultural land) and have considered the gain of ₹ 12,923.38 Lakh from the transaction as an 'Exceptional Item' in the the Statement of Profit and Loss. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, it has been continued as 'Assets held for sale' and has been grouped under 'Other Current Assets'. The sales consideration and carrying value of the agricultural land is USD 4 Million and ₹ 274 Lakh (Previous year ₹ 235.56 Lakh), respectively. An amount of USD 2 Million has been received as an advance against the said agricultural land and has been included under 'Other Current Liabilities'.

To give effect to the above agreement and ensure smooth continuance of the business, the Company has shifted its

manufacturing facilities from Gandhidham to Kandla Plant and have incurred shifting expenses to the extent of ₹ 696.33 Lakh. These shifting expenses have also been disclosed as an Exceptional Item in the Statement of Profit and Loss.

20. During the current year, the Company has sold/discarded certain items of plant of machinery rendered unusable for an aggregate loss of ₹ 1,539.44 Lakh (including impairment loss of ₹ 61.92 Lakh on Assets held for sale with residual carrying value ₹ 19.82 Lakh). The loss has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
21. During the current year, the Company has decided to sell certain items of plant and machinery forming part of 'Capital work in progress'. Accordingly, these assets have been considered as 'Assets held for Sale' and have been grouped under 'Other current assets'. The carrying value of these assets has been written down to their net realizable value at ₹ 1,548.48 Lakh and an impairment loss of ₹ 628.71 Lakh has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
22. Exceptional item includes provision towards diminution in value for slow and non-moving inventory of ₹ 487.84 Lakh (Previous year ₹ 615.68 Lakh).
23. Exceptional Item includes benefit on closure of borrowing obligation of ₹ Nil (Previous year ₹ 507.73 Lakh).
24. Short term loans and advances and other current assets includes an aggregate amount of ₹ 1,724.09 Lakh (₹ 1,724.09 Lakh as at 31 March 2016) towards secured inter-corporate deposit advanced to Akruti City Limited (now Hubtown Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favor of the Company. Based on on-going discussion with Akruti City Limited (now Hubtown Limited), the management is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for losses on account of non-recoverability of amounts, if any, is necessary at present.
25. As at 31st March, 2017, Other Current Assets include office premises at Mumbai having book value ₹ 1,235.68 Lakh (₹ 1,235.68 Lakh as at 31st March, 2016) being Fixed assets considered as 'Assets held for Sale', pursuant to the decision of the Board of Directors of the Company to dispose off the same in the near future.
26. The outstanding balances as at 31st March, 2017 include Trade Payables aggregating ₹ 6,352 Lakh and Trade

Receivables aggregating ₹ 61.34 Lakh to/from group companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipt of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.

27. In accordance with Accounting Standard (AS) – 9 – 'Revenue Recognition', the Company has deferred the recognition of interest income of ₹ 537.69 Lakh (as at 31st March, 2016 ₹ 298.79 Lakh), due to uncertainties involved in ultimate collection of the outstanding amounts.

28. Disclosure on specified bank notes (SBNs)

During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs ^ ₹ in Lakh	Other denomination notes ₹ in Lakh	Total ₹ in Lakh
Closing cash in hand as on 8th November, 2016	30.68	5.51	36.19
(+) Permitted receipts	-	9.83	9.83
(-) Permitted payments	-	8.15	8.15
(-) Amount deposited in Banks	30.68	-	30.68
Closing cash in hand as on 30th December, 2016	-	7.19	7.19

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India, in the ministry of finance, Department of economics affairs number S.O. 3407 (E), dated 8 November 2016.

29. Previous year's figures have been reclassified / regrouped to conform to current year's classification / grouping.
30. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this note as Annexure I.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

For and on behalf of the Board
P. K. Khurana
Chairman & Managing Director
DIN:- 00004050

Pushkar Khurana
Director
DIN:- 000040489

Place : Mumbai
Date : 30th May, 2017

Annexure I

SIGNIFICANT ACCOUNTING POLICIES:

GENERAL INFORMATION

The Company is engaged in the manufacture of high pressure seamless gas cylinders and other cylinders, equipments, appliances and tanks with their parts and accessories used for containing and storage of liquefied petroleum gases and other gases, liquids and air.

A. Basis of preparation of financial statements:

The financial statements, which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the 'Act') and comply in all material aspects with the Accounting Standards as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of Companies Act, 2013.

Based on the nature of business and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as a period not exceeding twelve months for the purpose of current/ non-current classification of assets and liabilities.

B. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires estimates and assumptions to be made by the Management of the Company that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

Examples of such estimates include the useful life of fixed asset, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, provision for inventory obsolescence, impairment of investments/ assets, etc.

C. Recognition of Revenue and Expenditure:

- Revenue/Income and Cost/Expenditure are generally accounted for on accrual basis as they are earned or incurred except in case of significant uncertainties;
- Sale of goods is recognized on transfer of significant risks and rewards of ownership. Recognition in the case of local sales is generally on the dispatch of goods. Export Sales are generally accounted for on the basis of the dates of 'On Board Bill of Lading';

- Export Benefits are recognised in the year of export;
- Dividend income is recognised in the year in which the right to receive dividend is established;
- Interest income and Commission income on guarantees are recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

D. Employee Benefits:

- Short term employee benefits** are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered;

b. Post employment benefits

i. Defined contribution plans:

Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered.

ii. Defined benefit plans:

The present value of the obligation under such plans is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

- Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

- Termination Benefits** are recognised as an expense in the Statement of Profit and Loss of the year in which they are incurred.

E. Foreign Currency Transactions / Translations:

- All transactions in foreign currency are recorded at the exchange rates prevailing on the dates when the relevant transactions take place;

- b. Monetary assets and liabilities in foreign currency outstanding at the close of the year are converted into Indian Currency at the appropriate exchange rates prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted for during the year;
- c. Non-monetary foreign currency items are carried at cost;
- d. In respect of forward exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract on equated basis. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contracts is recognised during the year;
- e. Accounting of Foreign Branch (Integral Foreign Operation):
 - i. Monetary assets and liabilities are converted at the appropriate exchange rate prevailing on the Balance Sheet date;
 - ii. Fixed assets and depreciation thereon are converted at the exchange rate prevailing on the date of the transaction.
 - iii. Revenue items (excluding depreciation) are converted at the exchange rate prevailing on date of the transaction.

F. Fixed Assets and Depreciation:

a. Fixed Assets:

Fixed Assets are carried at cost of acquisition/ construction less accumulated depreciation and amortisation. Cost of acquisition includes taxes / duties (net of credits availed) and other attributable costs for bringing assets to the condition required for their intended use. Each part of an item of Plant and equipment with a cost that is significant in relation to the total cost of item and with different useful life is depreciated separately. This applies mainly to components for machinery.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

b. Depreciation / Amortisation:

- i. Cost of Leasehold Land is amortised over the primary period of the lease.
- ii. Depreciation on the assets has been provided on

the straight line method as per the useful life prescribed in Schedule II to the Act, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the asset has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and Machinery:	10 to 25 years
Gas Cylinders:	25 years

Significant components of each of the individual assets are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset.

- iii. Depreciation on additions to assets or on sale/ disposal of assets is calculated pro-rata from the date of such addition or upto the date of such sale/ disposal as the case may be.

G. Investments:

Investments are classified into Current and Long-term Investments. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such Investments are made, are classified as Current Investments. All other Investments are classified as Long term investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. However, A provision for diminution is made to recognise a decline other than temporary in the value of Long-term Investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

H. Inventory Valuation:

- a. Raw Materials and Components, Work-in-Progress, Finished Goods, Stock-in-Trade, Stores and Spares etc. are valued at Lower of Cost and Net Realisable value.
- b. Goods in transit are valued at cost to date.
- c. 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formulae used are either 'First In First Out' or 'Weighted Average Cost' as applicable.
- d. Inter-unit transfers are valued either at works or factory costs of the transferor unit.

I. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- a. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

- b. Deferred Tax is recognized on timing difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset (DTA) and Deferred Tax Liability (DTL) are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. DTL are recognised for all taxable timing differences. DTA arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Where there is no unabsorbed depreciation and/or brought forward losses, DTA on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of DTA are reviewed to reassess realisation.
- c. Minimum Alternative Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at Balance Sheet date and carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

J. Borrowing Costs:

Interest and other borrowing costs attributable to acquisition / construction of qualifying assets are capitalised as part of the cost of such assets upto the date the assets are ready for their intended use. Other borrowing costs are charged as expense in the year in which these are incurred.

K. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

L. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present

obligation as a result of past events; it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

M. Leases:

The Company has leased out certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs for securing lease contracts are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on a straight line basis over the lease term.

N. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Everest Kanto Cylinder Limited
FY 2016-17

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(₹ in Lakh)

Sr. No.	Name of the subsidiaries	EKC International FZE	EKC Industries (Tainjin) Co. Ltd.	EKC Industries (Thailand) Co. Ltd.	Next Gen Cylinder Pvt. Ltd.	Calcutta Compressions & Liquefaction Engineering Ltd.	EKC Positron Ltd.	EKC Hungary Kft	CP Industries Holdings, Inc.	EKC Europe GmbH	Kamal Industries Ltd.
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	Reporting currency	AED	RMB	THB	INR	INR	INR	USD	USD	Euro	Tsh
3.	Exchange rate as on 31.03.2017	1 AED = 17.6174	1 RMB = 9.3914	1 THB = 1.8781	NA	NA	NA	1 USD = 64.8386	1 USD = 64.8386	1 EURO = 69.2476	1 Tsh = 0.0283
4.	Share capital	3,030.83	11,959.17	1,878.12	10.00	353.54	3.63	4,985.54	5,835.47	17.31	1.39
5.	Share Application Money	-	-	-	-	-	-	-	-	-	28.87
6.	Reserves & surplus	48,895.75	(16,207.04)	(5.65)	-	(1,414.41)	(0.16)	(6,321.17)	(10,933.22)	(244.97)	(16.99)
7.	Total assets	67,571.61	13,499.50	1,923.84	10.00	636.41	4.84	8,572.93	24,321.23	1,128.38	13.84
8.	Total Liabilities	67,571.61	13,499.50	1,923.84	10.00	636.41	4.84	8,572.93	24,321.23	1,128.38	13.84
9.	Investments	5,032.77	-	-	-	(78.18)	-	5,835.47	-	-	-
10.	Turnover	16,153.40	5,132.72	16.30	-	762.59	-	581.41	18,508.04	2,362.24	-
11.	Profit/(Loss) before taxation	(197.62)	(2,326.85)	(60.05)	-	(29.69)	(0.16)	554.04	522.82	1.16	(17.65)
12.	Provision for taxation	-	-	-	-	-	-	1.22	14.09	-	-
13.	Profit/(Loss) after taxation	(197.62)	(2,326.85)	(60.05)	-	(29.69)	(0.16)	552.82	508.73	1.16	(17.65)
14.	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
15.	% of shareholding	100.00%	100.00%	100.00%	100.00%	72.65%	72.65%	100.00%	100.00%	100.00%	49.00%

INDEPENDENT AUDITOR'S REPORT

To the Members of Everest Kanto Cylinder Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Everest Kanto Cylinder Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity, in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors/management of the Companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

Basis for Qualified Opinion

8. As stated in clause 15 of Note xxvii to the financial statements, the Group's short term loans and advances and other current assets include inter-corporate deposit and accrued interest thereon, aggregating ₹ 1,347.78 Lakh (as at 31 March 2016 ₹ 1,347.78 Lakh) and ₹ 376.31 Lakh (as at 31 March 2016 ₹ 376.31 Lakh), respectively. In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial statements. Our audit opinion for the year ended 31 March, 2016 was also qualified in respect of this matter.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entity, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31 March 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to clause 20 of xxvii to the financial statements, regarding the delays in receipt of receivables and payment against the supply of goods by Company, amounting to ₹ 61.34 Lakhs and ₹ 6,351.90 Lakhs respectively, that are outstanding for a period beyond the timelines stipulated vide FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999 due from / to group companies. The Management of the Company has represented that the Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial statements do not include any adjustments that may arise due to such delay/default. Our opinion is not modified in respect of this matter.

Other Matters

11. We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹ 108,019.66 Lakh and net assets of ₹ 36,235.94 Lakh as at 31 March 2017, total revenues of ₹ 40,573.07 Lakh and net cash inflows amounting to ₹ 156.20 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Further, of these subsidiaries, five subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, located outside

India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

12. We did not audit the financial statements of one subsidiary and one jointly controlled entity, whose financial statements reflect total assets of ₹ 1,142.22 Lakh and net assets of ₹ (214.31) Lakh as at 31 March 2017, total revenues of ₹ 2,362.24 Lakh and net cash outflows amounting to ₹ 39.51 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entity, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act and based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entity, we report, to the extent applicable, that:
 - a) We have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effect of the matter described in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the financial statements of the Holding Company;
 - c) The reports on the accounts of the branch offices of the Holding Company covered under the Act, audited under Section 143(8) of the Act by branch auditors have been sent to us, as applicable, and have been properly dealt with in preparing this report;

- d) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- e) Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- f) The matters described in paragraph 8 and paragraph 10 of the Basis for Qualified Opinion paragraph and Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Holding Company;
- g) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the Holding company.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure';
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the

other auditors on separate financial statements as also the other financial information of the subsidiaries and jointly controlled entity:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity as detailed in clause 4 of Note xxvii to the consolidated financial statements;
- (ii) the Group and jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act;
- (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firms Registration No.: 001076N/N500013

per Khushroo B. Panthaky
Partner
Membership No.: 42423

Mumbai
30 May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EVEREST KANTO CYLINDER LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Annexure

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of Everest Kanto Cylinder Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. In our opinion and according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting as at 31 March 2017:

The Holding Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of recoverability of its secured inter-corporate deposit and accrued interest thereon. The inadequate supervisory and review controls over Holding Company's process to determine the recoverability of its inter-corporate deposit and accrued interest thereon in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the value of inter-corporate deposit and accrued interest thereon included in short-term loans and advances and other current assets respectively and consequently, also impact the profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

9. In our opinion, except for the effect of the material weakness described above in the Basis for Qualified Opinion paragraph, the Holding Company and its subsidiary

companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on internal control over financial reporting criteria established by the Holding Company and its subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance note.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of consolidated financial statements of the Company as at 31 March 2017 and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

10. We did not audit the IFCoFR insofar as it relates to three subsidiary companies which are companies incorporated in India, whose financial statements reflect total assets of ₹ 651.25 Lakh and net assets of ₹ (1,047.40) Lakh as at 31 March 2017, total revenues of ₹ 762.59 Lakh and net cash inflows amounting to ₹ 67.68 Lakh for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Mumbai

30 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	(i)	2,244.15	2,244.15
(b) Reserves and Surplus	(ii)	39,526.58	32,092.70
		<u>41,770.73</u>	<u>34,336.85</u>
2. Minority Interest		1.37	1.37
3. Non-Current Liabilities			
(a) Long-Term Borrowings	(iii)	19,768.57	24,897.74
(b) Deferred Tax Liabilities / Assets (Net)	(iv)	-	-
(c) Long-Term Provisions	(v)	1,737.65	2,105.12
		<u>21,506.22</u>	<u>27,002.86</u>
4. Current Liabilities			
(a) Short-Term Borrowings	(vi)	21,960.91	27,385.16
(b) Trade Payables	(vii)		
(i) Outstanding dues to Micro, Small and Medium Enterprises		198.75	159.31
(ii) Outstanding dues to Other than Micro, Small and Medium Enterprises		7,632.83	5,583.13
(c) Other Current Liabilities	(viii)	18,634.36	9,549.49
(d) Short-Term Provisions	(ix)	168.09	144.51
		<u>48,594.94</u>	<u>42,821.60</u>
TOTAL		<u>111,873.26</u>	<u>104,162.68</u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	(x)		
(i) Tangible Assets		41,905.59	51,046.26
(ii) Intangible Assets		129.56	165.93
(iii) Capital Work-in-Progress		1,386.72	2,838.64
		<u>43,421.87</u>	<u>54,050.83</u>
(b) Non-Current Investments	(xi)	44.95	44.95
(c) Long-Term Loans and Advances	(xii)	1,617.63	1,694.22
(d) Other Non-Current Assets	(xiii)	65.00	185.00
		<u>1,727.58</u>	<u>1,924.17</u>
2. Current Assets			
(a) Current Investments	(xiv)	2.72	2.60
(b) Inventories	(xv)	25,901.20	28,757.90
(c) Trade Receivables	(xvi)	11,618.07	10,641.32
(d) Cash and Bank Balances	(xvii)	3,494.71	2,720.82
(e) Short-Term Loans and Advances	(xviii)	5,968.09	3,714.22
(f) Other Current Assets	(xix)	19,739.02	2,350.82
		<u>66,723.81</u>	<u>48,187.68</u>
TOTAL		<u>111,873.26</u>	<u>104,162.68</u>
Significant Accounting Policies and Explanatory Information (xxvii)			

As per our report of even date attached

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

Place : Mumbai

Date : 30th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
I. Revenue from Operations	(xx)	56,765.99	50,575.79
II. Other Income	(xxi)	709.43	262.39
III. Total Revenue (I + II)		57,475.42	50,838.18
IV. Expenses:			
Cost of Materials Consumed	(xxii)	21,870.87	20,244.47
Purchases of Stock-in-Trade		7,224.81	7,931.78
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(xxiii)	(745.02)	374.33
Employee Benefits Expense	(xxiv)	8,627.55	8,063.14
Finance Costs	(xxv)	4,452.69	5,351.40
Depreciation and Amortization Expense	(x)	4,335.81	7,153.00
Other Expenses	(xxvi)	13,325.55	12,787.69
Total Expenses		59,092.26	61,905.81
V. Profit / (Loss) from Ordinary Activities before Recoveries / (Provision) for Doubtful Debts, Foreign Exchange Variation Gain / (Loss), Exceptional Items and Tax (III - IV)		(1,616.84)	(11,067.63)
VI. Recoveries against Doubtful Debts (Net) [Also refer Clause No.19 of Note xxvii]		294.83	155.33
VII. Foreign Exchange Variation Gain / (Loss)		(364.55)	(952.80)
VIII. Profit / (Loss) from Ordinary Activities before Exceptional Items and Tax (V+VI+VII)		(1,686.56)	(11,865.10)
IX. Exceptional Items Gain/ (Loss) (net) [Refer Clause No. 16 of Note xxvii]		9,571.06	(408.39)
X. Profit / (Loss) Before Tax (VIII+IX)		7,884.50	(12,273.49)
XI. Tax Expense:			
(1) Current Tax		15.30	15.94
(2) Deferred Tax		-	13.75
(3) Tax Adjustments for Earlier Years (Net)		-	105.68
XII. Net Profit / (Loss) for the Year (X-XI)		7,869.20	(12,408.86)
XIII. Earnings per Equity Share [Refer Clause No. 11 of Note xxvii]			
(1) Basic		7.01	(11.58)
(2) Diluted		7.01	(11.58)
Significant Accounting Policies and Explanatory Information	(xxvii)		

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
A Cash flow from Operating Activities		
Net Profit/ (Loss) for the Year before Taxation	7,884.50	(12,273.49)
Add/ (Deduct):		
(a) Depreciation and Amortisation Expense	4,335.81	7,153.00
(b) Unrealised Foreign Exchange Variation (Gain)/ Loss	(119.30)	24.50
(c) Loss on Assets Sold/ Discarded	1,477.52	167.89
(d) Impairment of Assets held for sale	690.63	-
(e) Profit on Sale of Assets	(12,979.77)	-
(f) Liabilities no longer required Written Back	(100.31)	(19.82)
(g) Finance Costs	4,452.69	5,351.40
(h) Interest Income	(88.31)	(180.62)
(i) Dividend on Current Investments (Non trade)	(0.12)	(0.14)
(j) Benefit on Closure of Borrowing Obligation	-	(507.73)
(k) Diminution in value for slow and non-moving Inventory items	487.84	615.68
(l) Bad Debts / Advances Write Off	213.38	200.55
(m) Sundry Balances Write Off	55.59	-
(n) Recoveries against doubtful debts	(294.83)	(155.33)
(o) Provision for doubtful deposits	-	100.00
	<u>(1,869.18)</u>	<u>12,749.38</u>
Operating Profit before Working Capital Changes	6,015.32	475.89
Adjustments for:		
(a) Decrease in Inventories	2,368.86	954.92
(b) (Increase) / Decrease in Trade and Other Receivables	(3,346.54)	585.44
(c) Increase / (Decrease) in Trade and Other Payables	2,579.79	1,163.64
	<u>1,602.11</u>	<u>2,704.00</u>
Cash Inflow from Operations	7,617.43	3,179.89
Deduct:		
Direct Taxes Paid	239.94	43.88
Net Cash generated from Operating Activities (A)	<u>7,377.49</u>	<u>3,136.01</u>
B Cash Flow from Investing Activities		
Inflow:		
(a) Dividend Income on Investments	0.12	0.14
(b) Interest Income Received	74.10	127.71
(c) Advance Received against Sale of Land	1,320.00	-
(d) Sale of Fixed Assets	1,110.54	453.32
	<u>2,504.76</u>	<u>581.17</u>
Outflow:		
(a) Purchases of Current Investments (Net)	0.12	0.13
(b) Purchase of Fixed Assets (including Capital Advances)	2,568.14	2,138.98
	<u>2,568.26</u>	<u>2,139.11</u>
Net Cash used in from Investing Activities (B)	<u>(63.50)</u>	<u>(1,557.94)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31st March, 2017 (₹ in Lakh)	Year Ended 31st March, 2016 (₹ in Lakh)
C Cash Flow from Financing Activities		
Inflow:		
(a) Term Loans Availed during the Year	2,669.39	39.22
(b) Working Capital / Short Term Loan Availed during the Year	565.19	6,112.58
(c) Shares of EKC Positron Gas Limited subscribed by Minority Interest shareholders	-	1.37
(d) Proceeds from issue of Equity Shares	-	808.00
	3,234.58	6,961.17
Outflow:		
(a) Finance Costs Paid	4,546.33	5,786.34
(b) Dividend Paid	1.10	1.70
(c) Working Capital / Short Term Loan repaid during the year	5,374.38	250.37
(d) Term Loans Repaid during the Year	666.48	6,638.09
	10,588.29	12,676.50
Net Cash used in Financing Activities (C)	(7,353.71)	(5,715.33)
D Change in Currency Fluctuation Reserve arising on Consolidation	16.35	1,055.40
Net (Decrease) in Cash/Cash Equivalents (A+B+C+D)	(23.36)	(3,081.86)
Add: Balance of Cash/Cash Equivalents at the Beginning of the Year	893.42	3,975.28
Cash/Cash Equivalents at the Close of the Year	870.06	893.42
Cash/Cash Equivalents at the Close of the year		
Cash and Bank Balances as per Note (xvii)	3,494.71	2,720.82
Less: Other Bank Balances not in nature of Cash and Cash Equivalents	(2,624.65)	(1,827.40)
	870.06	893.42

Notes:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in Accounting Standard - 3 on 'Cash Flow Statements'.
- Previous year's figures have been reclassified / regrouped wherever necessary.

As per our report of even date attached
For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(i) Share Capital		
Authorised		
125,000,000 (Previous Year: 125,000,000) Equity Shares of ₹ 2 each	<u>2,500.00</u>	<u>2,500.00</u>
Issued		
112,207,682 (Previous Year: 112,207,682) Equity Shares of ₹ 2 each	<u>2,244.15</u>	<u>2,244.15</u>
Subscribed & Fully Paid up		
112,207,682 (Previous Year: 112,207,682) Equity Shares of ₹ 2 each fully paid up	<u>2,244.15</u>	<u>2,244.15</u>
Total	<u>2,244.15</u>	<u>2,244.15</u>

(a) Reconciliation of Number of Shares

Equity Shares	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	₹ in Lakh	Number of Shares	₹ in Lakh
Shares outstanding at the beginning of the year	112,207,682	2,244.15	107,157,682	2,143.15
Shares Issued during the year	-	-	5,050,000	101.00
Shares outstanding at the end of the year	112,207,682	2,244.15	112,207,682	2,244.15

During the previous year, the Company had made preferential allotment of 5,050,000 Equity Shares having face value of ₹ 2 each at a premium of ₹ 14 per share pursuant to the approval of its shareholders at the Extra Ordinary General Meeting held on 22nd March, 2016.

(b) Rights, Preferences and Restrictions attached to Shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per Share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the share holding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares Held	Percentage of Shares Held (%)	Number of Shares held	Percentage of Shares Held (%)
Khurana Gases Private Limited (Promoter)	17,577,203	15.66	17,577,203	15.66
Suman Khurana (Promoter)	15,230,691	13.57	15,230,691	13.57
P. K. Khurana (Promoter)	12,218,000	10.89	12,218,000	10.89
Pushkar Prem Kumar Khurana (Promoter)	7,503,973	6.69	7,503,973	6.69
Puneet Prem Kumar Khurana (Promoter)	7,662,933	6.83	7,503,973	6.69

(ii) Reserves and Surplus**a. Securities Premium Account**

Opening Balance	24,789.64	24,082.64
Additions during the Year [Refer Note (i)(a)]	-	707.00
Closing Balance	<u>24,789.64</u>	<u>24,789.64</u>

b. General Reserve

Opening Balance	7,491.00	7,491.00
Closing Balance	<u>7,491.00</u>	<u>7,491.00</u>

c. Surplus/(Deficit) in Statement of Profit and Loss

Opening Balance	(16,300.87)	(3,887.46)
Net Profit / (Loss) for the Year	7,869.20	(12,408.86)
Transitional adjustment on account of Schedule II to Companies Act, 2013*	-	4.55
Closing Balance	<u>(8,431.67)</u>	<u>(16,300.87)</u>

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
d. Foreign Currency Translation Reserve on Consolidation of Overseas Subsidiaries		
Opening Balance	16,112.93	13,921.79
Movement during the Year	(435.32)	2,191.14
Closing Balance	<u>15,677.61</u>	<u>16,112.93</u>
Total	<u>39,526.58</u>	<u>32,092.70</u>
*Represents the written down value of the fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013. These balances have been adjusted against the opening balance of Retained Earnings in accordance with the transitional provision available under The Companies Act, 2013.		
(iii) Long-Term Borrowings		
<u>Secured</u>		
Term Loans [Refer Clause No. 3(a), 3(b) and 3(c) of Note xxvii]		
- From Banks	15,598.68	21,811.23
- Foreign Currency Loan From Bank	972.58	-
- Vehicle Loans	122.43	31.19
	<u>16,693.69</u>	<u>21,842.42</u>
<u>Unsecured</u>		
(a) Term Loans		
- Sales Tax Deferment Loan [Refer Clause No. 3(d) of Note xxvii]	587.88	881.31
(b) Loans from related parties [Refer Clause No. 3(e) of Note xxvii]	2,487.00	2,174.01
	<u>3,074.88</u>	<u>3,055.32</u>
Total	<u>19,768.57</u>	<u>24,897.74</u>
(iv) Deferred Tax Liabilities / Assets (Net)		
Deferred Tax Liability on account of:		
- Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,702.71	3,764.29
Deferred Tax Asset on account of:		
- Provision for Employee Benefits	38.04	37.10
- Provision for Doubtful Debts / Deposits /Advances	442.87	614.94
- Unabsorbed Depreciation and Business Loss as per Tax Laws*	3,221.80	3,112.25
	<u>3,702.71</u>	<u>3,764.29</u>
Net Deferred Tax Liabilities / Assets	<u>-</u>	<u>-</u>
*Limited to the amount of Deferred Tax Liabilities less other Deferred Tax Assets, on the grounds of prudence.		
(v) Long-Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	256.89	486.95
- Post Retirement Benefits [Refer Clause No. 10 of Note xxvii]	1,480.76	1,618.17
Total	<u>1,737.65</u>	<u>2,105.12</u>
(vi) Short-Term Borrowings		
<u>Secured</u>		
Working Capital Facilities from Banks [Refer Clause No. 3(b) of Note xxvii]	20,991.07	26,394.74
<u>Unsecured</u>		
Loans from Other Party [Refer Clause No. 3(f) of Note xxvii]	969.84	990.42
Total	<u>21,960.91</u>	<u>27,385.16</u>

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(vii) Trade Payables		
(a) Dues to Micro, Small and Medium Enterprises*	198.75	159.31
(b) Dues to Others [Refer Clause No. 20 of Note xxvii]	7,632.83	5,583.13
Total	7,831.58	5,742.44
(a) The disclosure required under MSMED Act is as under		
- Principal amount due to suppliers under MSMED Act	198.75	159.31
- Interest accrued and due to suppliers under MSMED Act on the above amount unpaid	-	-
- Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
- Interest paid to suppliers under MSMED Act (Other than Section 16)	-	-
- Interest paid to suppliers under MSMED Act (Section 16)	-	-
- Interest due and payable to suppliers under MSMED Act for payment already made	-	-
- Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act	-	-
Note: This above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME and has been relied upon by the Statutory auditors of the Company.		
(viii) Other Current Liabilities		
(a) Current Maturities of Long-Term Borrowings		
- Term Loan From Bank [Refer Clause No. 3(a) of Note xxvii]	10,505.74	1,917.53
- Foreign Currency Loan From Bank [Refer Clause No. 3(a) of Note xxvii]	1,685.80	3,316.65
- Sales Tax Deferment Loan [Refer Clause No. 3(d) of Note xxvii]	297.03	297.86
- Vehicle Loan [Refer Clause No. 3(a) & 3(c) of Note xxvii]	58.30	13.26
(b) Interest Accrued but not Due on Borrowings	270.15	312.43
(c) Interest Accrued and Due on Borrowings	-	51.37
(d) Unclaimed Dividends*	8.91	10.00
(e) Payable towards Capital Expenditure	437.48	298.71
(f) Advances from Customers	2,190.32	1,751.81
(g) Deposits	46.12	44.87
(h) Statutory Dues	210.34	399.69
(i) Advance Received against Sale of Land [Refer Clause No.16(a) of Note xxvii]	1,320.00	-
(j) Other Liabilities (Accrued expenses)	1,604.17	1,135.31
Total	18,634.36	9,549.49
* There is no amount due to be transferred to the Investor Education and Protection Fund as at the year end.		
(ix) Short-Term Provisions		
(a) Provision for Employee Benefits		
- Post Retirement Benefits [Refer Clause No. 10 of Note xxvii]	141.06	86.56
- Compensated Absences	27.03	42.99
(b) Others		
- Provision for Tax	-	14.96
Total	168.09	144.51

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(x) Fixed Assets

(₹ in Lakh)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Balance as at 1st April 2016	Additions	Deductions/ Adjustments*/ Assets held for Disposal**	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation/ Amortisation charge for the year	Deductions/ Adjustments *^	Balance As at 31st March 2017	Balance As at 31st March 2017	Balance As at 31st March 2016
a. Tangible Assets										
Freehold Land	904.66	48.63	144.82	808.47	-	-	-	-	808.47	904.66
Leasehold Land#	504.36	-	19.81	484.55	224.22	7.80	5.40	226.62	257.93	280.14
Buildings##	22,070.65	453.24	4,371.67	18,152.22	6,332.26	654.82	1,086.15	5,900.93	12,251.29	15,738.39
Plant and Equipment	68,253.19	970.72	5,977.66	63,246.25	37,473.27	3,182.01	3,254.25	37,401.03	25,845.22	30,779.92
Furniture and Fixtures	620.24	64.74	60.49	624.49	389.38	48.70	51.42	386.66	237.83	230.86
Vehicles***	419.49	237.28	77.93	578.84	242.95	63.07	65.84	240.18	338.66	176.54
Office equipment	291.27	11.48	7.36	295.39	257.37	17.75	7.02	268.10	27.29	33.90
Computers	1,044.09	68.10	14.39	1,097.80	790.59	121.57	11.76	900.40	197.40	253.50
Gas Cylinders	822.60	-	-	822.60	474.92	19.63	0.01	494.54	328.06	347.68
Gas Cylinders given on Lease	19.81	-	5.63	14.18	6.39	0.50	5.34	1.55	12.63	13.42
Electrical Installation	3,557.35	46.04	1,210.70	2,392.69	1,270.09	164.46	642.67	791.88	1,600.81	2,287.26
Total (a)	98,507.71	1,900.23	11,890.46	88,517.48	47,461.44	4,280.31	5,129.86	46,611.89	41,905.59	51,046.27
Previous Year Total	95,548.41	1,722.13	(1,237.17)	98,507.71	42,175.92	4,423.45	(862.07)	47,461.44	51,046.27	
b. Intangible Assets										
Goodwill (Including on Consolidation)	18,246.03	-	409.25	17,836.78	18,246.03	-	409.25	17,836.78	-	-
Computer Software	435.55	21.85	6.13	451.27	269.62	55.50	3.41	321.71	129.56	165.93
Total (b)	18,681.58	21.85	415.38	18,288.05	18,515.65	55.50	412.66	18,158.49	129.56	165.93
Previous Year Total	17,542.56	108.29	(1,030.73)	18,681.58	14,876.52	2,729.55	(909.58)	18,515.65	165.93	
Total (a+b)	117,189.29	1,922.08	12,305.84	106,805.53	65,977.09	4,335.81	5,542.52	64,770.38	42,035.15	51,212.20
Previous Year Total	113,090.97	1,830.42	(2,267.90)	117,189.29	57,052.44	7,153.00	(1,771.65)	65,977.09	51,212.20	
c Capital Work In Progress**									1,386.72	2,838.64

Notes:

Execution of lease deed for land acquired at Tarapur Plant is pending, ₹ 111.42 Lakh (Previous Year ₹ 111.42 Lakh).

Includes ₹ 750 (Previous Year ₹ 750) paid for shares acquired in co-operative societies.

* Includes adjustments on account of translation of balances in foreign currency.

^ Represents the written down value ₹ Nil (Previous Year ₹ 4.55) of the fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April, 2015. These balances have been adjusted against the opening balance of Retained Earnings.

** Also refer Clause No. 16(a), 16(b), 16(c) and 17 of Note xxvii.

*** Includes vehicles in the personal name of directors having gross block of ₹ 118.50 Lakh and written down value of ₹ 87.65 Lakh (Previous year - Gross block ₹ 118.50 Lakh and written down value ₹ 104.39 Lakh).

Loans availed by the Company are secured by way of first / second pari passu charge on all fixed assets at the Aurangabad, Tarapur, Gandhidham and Kandla units. A loan availed by one of step down subsidiaries from bank is secured by way of first charge on the movable fixed assets at Kandla unit to the extent of the loan amount. Loans availed by EKC International FZE, UAE are secured by hypothecation of its vehicles and possessory pledge of its plant and equipment. Loan availed by EKC Industries (Tianjin) Co. Ltd., China is secured against its building located in China.



NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xi) Non-Current Investments		
(At Cost / Book Value, Unquoted)		
Non-Trade Investments [Refer (a) below]		
Investment in Equity Instruments	244.95	244.95
Less : Provision for Diminution in the Value of Investments [Refer Clause No.14 of Note xxvii]	(200.00)	(200.00)
Total	44.95	44.95

(a) Details of Non-Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/JV/ Controlled Special Purpose Entity/Others	Face Value / Share	Number of Shares		Partly Paid /Fully paid	Extent of Holding (%)		Amount (₹ in Lakh)		Whether stated at Cost Yes/ No	If Answer to Column (12) is 'No'- Basis of Valuation
				2017	2016		2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Instruments											
i	Everest Kanto Investment & Finance Pvt. Ltd.	Others	INR 10	115,000	115,000	Fully Paid	9.58	9.58	39.10	39.10	Yes	N A
ii	GPT Steel Industries Pvt. Ltd. [Refer Clause No.14 of Note No. xxvii]	Others	INR 10	2,000,000	2,000,000	Fully Paid	0.79	0.79	200.00	200.00	No	Fully provided for Diminution in Value
iii	Tarapur Environment Protection Society	Others	INR 100	5,852	5,852	Fully Paid	-	-	5.85	5.85	Yes	N A
	Total								244.95	244.95		

(xii) Long-Term Loans and Advances

(Unsecured, Considered Good (unless otherwise stated))

a. Capital Advances	41.98	94.31
b. Security Deposits :		
Considered Good	497.59	706.70
Considered Doubtful	254.00	254.00
Less: Provision for Doubtful Deposits	(254.00)	(254.00)
	497.59	706.70
c. Advance Tax and Tax Deducted at Source (Net of Provisions)	1,023.17	813.49
d. Other Loans and Advances:		
Secured, Considered Good	54.89	79.72
Total	1,617.63	1,694.22

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xiii) Other Non-Current Assets		
Bank Deposits Maturing Over 12 months*	65.00	185.00
Total	<u>65.00</u>	<u>185.00</u>
* Margin against Bank Guarantees and Letter of Credit facilities availed from bank.		
(xiv) Current Investments		
(Unquoted, At lower of Cost and Market Value)		
Investments in Mutual Funds (Non-Trade) [Refer (a) below]	2.72	2.60
Total	<u>2.72</u>	<u>2.60</u>

a. Details of Investments in Mutual Funds

Name of the Mutual Fund	Number of Units		Amount (₹ In Lakh)	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Investments in Mutual Funds				
- LIC Liquid Fund-Dividend Plan	149.51	142.72	1.63	1.56
- UTI Liquid Fund-Cash Plan Institutional - Daily Income	106.44	101.56	1.09	1.04
Total			<u>2.72</u>	<u>2.60</u>

(xv) Inventories

(Valued at Lower of Cost and Net Realisable Value)

a. Raw Materials and Components

Add: Goods-in Transit (at Cost)

Less: Provision for Diminution in Value [Refer Clause No.16(e) of Note xxvii]

b. Work-in-Progress (Net of Provision)

Less: Provision for Diminution in Value [Refer Clause No.16(e) of Note xxvii]

c. Finished Goods

d. Stock-in-Trade

e. Stores and Spares

Total

8,959.72	11,597.19
5.32	5.44
(759.39)	(615.68)
<u>8,205.65</u>	<u>10,986.95</u>
14,143.56	11,510.64
(344.13)	-
<u>13,799.43</u>	<u>11,510.64</u>
3,264.21	5,181.79
592.85	1,043.78
39.06	34.74
<u>25,901.20</u>	<u>28,757.90</u>

(xvi) Trade Receivables

(Unsecured, Considered Good (unless otherwise stated))

Trade receivables outstanding for a period exceeding six months from the date they became due for payment

Considered Good

Considered Doubtful [Also Refer Clause No.19 of Note xxvii]

Less: Provision for Doubtful Debts

Others

Considered Good

Considered Doubtful

Less: Provision for Doubtful Debts

Total

875.33	1,857.45
1,946.40	2,485.97
(1,946.40)	(2,485.97)
<u>875.33</u>	<u>1,857.45</u>
10,742.74	8,783.87
-	71.64
-	(71.64)
<u>10,742.74</u>	<u>8,783.87</u>
<u>11,618.07</u>	<u>10,641.32</u>

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)
(xvii) Cash and Bank Balances		
Cash and Cash Equivalents [Refer Clause No. 21 of Note xxvii]		
a. Cash on Hand*	45.73	61.32
b. Balances with Banks		
- In Current Accounts*	824.33	832.10
	<u>870.06</u>	<u>893.42</u>
Other Bank Balances		
a. Security against Borrowings	2,112.03	1,537.54
b. Security against Guarantees	414.07	194.05
c. Bank Deposits with more than 3 months, but less than 12 months maturity	89.64	85.81
d. Earmarked Balances - Unpaid Dividend Accounts	8.91	10.00
	<u>2,624.65</u>	<u>1,827.40</u>
Total	<u>3,494.71</u>	<u>2,720.82</u>
*There are no Repatriation Restrictions, in respect of Cash and Bank Balances.		
(xviii) Short-Term Loans and Advances		
(Unsecured, Considered Good (unless otherwise stated))		
a. Advances recoverable in cash or kind or for value to be received		
- Balance with Government Authorities	474.30	530.21
- Advances paid to Suppliers	3,496.40	1,301.46
- Prepaid Expenses	322.71	456.26
b. Inter Corporate Deposit [Refer Clause No.15 of Note xxvii]	1,347.78	1,347.78
c. Security Deposits	238.54	20.00
d. Loans and Advances to Related Parties	21.68	20.26
[Includes ₹ 21.68 Lakh due from Key Management Personnel (Previous Year ₹ 20.26 Lakh)]		
e. Others (Employee advances)	66.68	38.25
Total	<u>5,968.09</u>	<u>3,714.22</u>
*The Inter Corporate Deposit is secured as at March 31, 2017.		
(xix) Other Current Assets		
(Unsecured, Considered Good (unless otherwise stated))		
a. Current Deposits	29.40	35.13
[Includes ₹ 10.00 Lakh (Previous Year ₹ 10.00 Lakh), as Security Deposit to a private company in which directors are directors / members]		
b. Interest Receivable		
- Banks	52.19	34.67
- Others	399.95	403.26
c. Receivable against Sale of Fixed Assets [Refer Clause No. 16(a) of Note xxvii]	16,021.47	-
d. Other Receivables	70.74	311.28
e. Assets held for disposal [Refer Clause No. 16(a), 16(b), 16(c) & 17 of Note xxvii]	3,165.27	1,566.48
Total	<u>19,739.02</u>	<u>2,350.82</u>

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2017

	Year ended 31st March, 2017 (₹ in Lakh)	Year ended 31st March, 2016 (₹ in Lakh)
(xx) Revenue from Operations		
Sale of Products		
- Manufactured Goods	48,242.03	42,709.02
- Traded Goods	10,607.59	9,471.08
Less:		
Excise Duty	2,485.69	1,795.41
	<u>56,363.93</u>	<u>50,384.69</u>
Other Operating Revenues		
- Scrap Sales	310.31	138.15
- Testing and Inspection Fees	76.94	22.90
- Others	14.81	30.05
Total	<u>56,765.99</u>	<u>50,575.79</u>
(xxi) Other Income		
Interest		
- Inter Corporate Deposit	-	75.59
- Fixed Deposits with Banks	51.95	67.79
- Others	36.39	37.24
Dividend on Current Investments (Non trade)	0.12	0.14
Other Non-Operating Income (Net)		
- Excess Provision Written Back	-	19.82
- Liabilities no Longer Required Written Back	379.09	-
- Lease Rent	4.32	10.48
- Profit on Sale of Assets	56.39	-
- Maturity proceeds under Keyman insurance policy	148.50	-
- Miscellaneous Income	32.67	51.33
Total	<u>709.43</u>	<u>262.39</u>
(xxii) Cost of Materials Consumed		
Opening Inventory	11,602.63	12,764.05
Add: Purchases	19,358.67	18,737.79
	<u>30,961.30</u>	<u>31,501.84</u>
Less: Closing Inventory	8,965.04	11,602.63
	<u>21,996.26</u>	<u>19,899.21</u>
Foreign Exchange Translation Reserve Impact	(125.39)	345.26
Total	<u>21,870.87</u>	<u>20,244.47</u>
(xxiii) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Inventory		
- Finished Goods	5,181.79	4,935.43
- Work-in-Progress	11,510.64	12,295.21
- Stock-in-Trade	1,043.78	294.65
	<u>17,736.21</u>	<u>17,525.29</u>
Closing Inventory		
- Finished Goods	3,264.21	5,181.79
- Work-in-Progress	14,143.56	11,510.64
- Stock-in-Trade	592.85	1,043.78
	<u>18,000.62</u>	<u>17,736.21</u>
	(A-B)	(210.92)
(Add)/ Less : Variation in Excise Duty on Finished Goods	(217.52)	60.19
	<u>(481.93)</u>	<u>(150.73)</u>
(Add)/ Less : Foreign Exchange Translation Reserve Impact	(263.09)	525.06
Total	<u>(745.02)</u>	<u>374.33</u>

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2017

	Year ended 31st March, 2017 (₹ in Lakh)	Year ended 31st March, 2016 (₹ in Lakh)
(xxiv) Employee Benefits Expense		
Salaries, Wages and Other Benefits [Refer Clause No.10 of Note xxvii]	8,375.62	7,802.89
Contributions to Provident and Other Funds	130.82	161.09
Staff Welfare Expenses	121.11	99.16
Total	8,627.55	8,063.14
(xxv) Finance Costs		
Interest Expense		
- Borrowings	4,315.88	5,105.63
- Others*	85.47	61.45
Other Borrowing Costs	39.14	28.97
Net Loss on Foreign Currency Transactions and Translations	12.20	155.35
Total	4,452.69	5,351.40
*Includes Interest on Statutory Dues ₹ 0.23 Lakh (Previous Year ₹ 41.24 Lakh).		
(xxvi) Other Expenses		
Consumption of Stores and Spares	1,995.87	1,710.95
Power and Fuel	3,229.99	2,752.06
Water Charges	132.90	127.34
Repairs and Maintenance		
- Building	18.76	12.18
- Plant and Machinery	854.16	614.80
- Others	52.10	36.80
Labour Charges	286.13	152.38
Rent	518.81	484.00
Insurance	332.18	339.42
Rates and Taxes, excluding Taxes on Income	350.25	539.75
Bad Debts / Advances Write Off [Net of provision for doubtful receivables ₹ 242.36 Lakh (31st March, 2016: NIL)]	213.38	-
Sundry Balances Write Off	55.59	200.55
Directors' Sitting Fees and Commission	5.32	6.50
Payment to Auditors	63.56	46.44
Legal and Professional Fees	642.52	585.92
Travelling and Conveyance	483.32	463.84
Security Expenses	79.67	72.82
Loss on Assets Scrapped / Discarded, Loss of Asset	61.94	167.89
Provision for Doubtful Deposits	-	100.00
Bank Charges and Commission	251.90	181.50
Packing and Forwarding	335.49	277.78
Carriage and Freight	730.18	704.55
Advertisement and Sales Promotion	195.10	213.83
Commission on Sales	300.61	383.25
Miscellaneous Expenses [Refer Clause No.13 of Note xxvii]	2,135.82	2,613.14
Total	13,325.55	12,787.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS FOR THE YEAR ENDED 31ST MARCH, 2017

Note No. (xxvii):

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- 1 (a) The consolidated financial statements present the consolidated accounts of Everest Kanto Cylinder Limited (the Company) along with its following subsidiaries, step down subsidiaries and joint venture. The names, country of incorporation and proportion of ownership interest is as under:

Name of the Company	Country of Incorporation	% of shareholding
EKC Industries (Tianjin) Co. Limited (Subsidiary of Everest Kanto Cylinder Limited)	People's Republic of China	100%
EKC International FZE (Subsidiary of Everest Kanto Cylinder Limited)	United Arab Emirates	100%
EKC Industries (Thailand) Co. Limited (Subsidiary of Everest Kanto Cylinder Limited)	Kingdom of Thailand	100%
Calcutta Compressions and Liquefaction Engineering Limited (Subsidiary of Everest Kanto Cylinder Limited)	India	72.65%
EKC Hungary Kft (Subsidiary of EKC International FZE)	Hungary	100%
CP Industries Holdings Inc. (Subsidiary of EKC Hungary Kft.)	The United States of America	100%
EKC Europe GmbH (Subsidiary of EKC International FZE)	Germany	100%
EKC Positron Gas Limited (Subsidiary of Everest Kanto Cylinder Limited)	India	72.65%
Next Gen Cylinder Private Limited (Subsidiary of Everest Kanto Cylinder Limited)	India	100%
Kamal EKC industries Limited (Joint Venture of EKC International FZE)	Tanzania	49%

- (b) The Company has a 49% interest in Kamal EKC industries Limited through its wholly owned subsidiary EKC International FZE. The Group's share of each of the assets, liabilities, income, expenses etc. related to its interests in this joint venture, based on the unaudited financial statements are:

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Assets		
Fixed Assets (including Capital Work-in-progress)	0.62	-
Cash and Bank Balances	11.79	-
Short-Term Loans and Advances	1.36	-
Other Current Assets	0.07	-
Liabilities		
Other Current Liabilities	0.57	-

(₹ in Lakh)

Particulars	As at 31st March 2017	As at 31st March 2016
Income	-	-
Expenses	17.65	-

2. Significant Accounting Policies and Explanatory Information to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Group. Recognising this purpose, the Company has disclosed only such Policies and Explanatory Information from the individual financial statements which fairly present the needed disclosure.

3. Borrowings

Everest Kanto Cylinder Limited, India:

(a) Term Loans:

- (i) Term Loan of US\$ 5.00 Million from a bank is secured by way of (a) first pari passu charge on entire fixed assets both present and future (excluding residential flat at Cuffe Parade, Mumbai and office premises situated at Nariman Point, Mumbai) (b) Second pari passu charge on current assets of the Company (both present and future) (c) Unconditional and irrevocable personal guarantees from three promoter directors (d) non-disposal undertaking of shareholding of the Company in its subsidiaries located in China and Dubai (e) pledge of 29.99% of the shares held by the Company in its subsidiaries located in China and Dubai. The loan is repayable in bullet in May 2018. The interest rate of the Borrowings is 6 Months' LIBOR plus 5.0% per annum.

- (ii) Term Loan from another bank up to ₹ 32,500.00 Lakh is secured by way of (a) first pari passu charge on all the fixed assets of the Company, excluding specific immovable properties (b) second pari passu charge on the current assets of the Company (c) pledge of 29.99% of the shares of the Company held by the promoters (d) pledge of all the shares of the subsidiaries held by the Company (e) unconditional and irrevocable personal guarantees from three promoter directors and (f) exclusive charge on certain residential and commercial immovable properties owned by the Company, promoters, group companies/firms. The loan is repayable in quarterly unequated installments by October 2020. The interest rate of the Borrowing is 11% per annum.
- (b) Working Capital facilities from banks are secured by way of (i) first pari passu charge in the form of hypothecation of stocks, book debts and all other current assets of the Company and (ii) second pari passu charge on all the fixed assets (excluding specific fixed assets) of the Company. One of the banks has been secured by personal guarantees from two directors and one other bank has been secured with personal guarantee from a director. Two of the banks have been provided additional security over separate specific immovable properties of the Company. The interest rate of the Cash Credit facilities ranges from 11% to 12.75% per annum.
- (c) Vehicle Loan from financial institution is repayable in 35 monthly installments, with the last installment falling due in April 2019. This loan is secured by hypothecation of underlying vehicle and is at fixed rate of interest of 10.83% per annum.
- (d) The Interest-free Sales Tax Deferment Loan is repayable in six equal annual installments, with the last installment falling due in financial year 2018-19.
- (e) Unsecured loans from related parties are repayable on demand and carry interest rate of 12% per annum. However, as per the terms of the loans, repayment of loans cannot be demanded before 1 April 2018.

EKC International FZE, UAE:

- (a) Term loan from bank:
 - (i) Vehicle Loans are repayable in 48 monthly installments, with the last installment falling due in September 2020. These loans are secured by hypothecation of underlying vehicles and are at fixed rate of interest, which ranges from 2.74% to 3.29% per annum.
- (b) Working Capital facilities from banks:
 - (i) Working Capital facility of USD 2 Million from a bank is secured by an irrevocable bank guarantee

from another bank. The interest rate of the Borrowing is monthly EIBOR + 2.75% per annum with a floor rate of 3.25% per annum. The facility is denominated in UAE Dirhams.

- (ii) An unsecured Bank Overdraft facility of USD 10 Million is at interest rate of one month LIBOR + 1.85% per annum. The facility is denominated in UAE Dirhams.
- (iii) A Working Capital facility of USD 10 Million from another bank is at Interest rate of six month LIBOR + 6% per annum. The Borrowing is secured by assignment of receivables, promissory note, stock in trade, lien over cash margin of Subsidiary, corporate guarantee (unconditional / irrevocable) of Everest Kanto Cylinder Limited, India and possessory pledge of plant and equipments and Personal Guarantee of two Promoter Directors of Everest Kanto Cylinder Limited, India.
- (f) Short Term Unsecured Loan :
The subsidiary Company has taken Short Term Unsecured loan of USD 1.5 Million from other Party which is repayable on demand and carries interest rate of 6% per annum. The Loan is denominated in USD.

CP Industries Holdings Inc., USA:

- (a) Term Loans from Banks:
 - (i) Term Loan of USD 3.90 Million is repayable in 60 equal monthly installments, expiring in March 2022. The Borrowing is secured by substantially all the assets of the Subsidiary and shares of Subsidiary pledged by EKC Hungary Kft (its immediate Parent Company). The interest rate of the Borrowing ranges from 2.25% to 3% based on quarterly leverage ratios, plus one month LIBOR per annum.
 - (ii) Delayed Draw Term Loan of USD 1.50 Million is repayable in 60 equal monthly installments, expiring in November 2022. The Borrowing is secured by substantially all the assets of the Subsidiary and shares of Subsidiary pledged by its immediate Parent Company. The interest rate of the Borrowing ranges from 2.25% to 3% based on quarterly leverage ratios, plus one month LIBOR per annum.
- (b) Long Term facility from a Bank:
 - (i) The loan facility of USD 5.00 Million from a bank is secured by substantially all the assets of the Subsidiary and shares of Subsidiary pledged by its immediate Parent Company. The maturity date of the Loan is February 2019. The interest rate of the Borrowing ranges from 2.25% to 3% based on quarterly leverage ratios, plus one month LIBOR per annum.

EKC Industries (Tianjin) Co. Ltd., China:

- (a) There are no Term Loans from Banks.
(b) Working Capital facility from a Bank:

- (i) There are multiple Working Capital loan facilities aggregating of RMB 25 Million from a bank which are secured by fixed deposits with the bank and land and building of the subsidiary. The maturity dates of these Loans are within a period of six months ending November 2017. The interest rate of the Borrowing is 5.87% per annum.

	As at	As at
	31st March, 2017	31st March, 2016
	(₹ in Lakh)	(₹ in Lakh)

4. (a) Contingent Liabilities in respect of:
Disputed Tax and other Matters:
- | | | |
|---|-----------------|----------|
| (a) Disputed Tax and other Matters: | | |
| - Income Tax | 1,853.84 | 1,546.72 |
| - Sales Tax and Value Added Tax | 867.10 | 972.59 |
| - Lease Tax | 21.05 | 21.05 |
| - Service Tax | 5.38 | - |
| (b) Claims not acknowledged as Debts | 1,173.11 | 874.44 |
| (c) Estimated value of contracts remaining to be executed on Capital account and not provided for (net of advances) | 149.95 | 218.44 |
| (d) Bonds executed in favour of Government Authorities (Also refer Clause No. 8 of Note xxvii) | 693.17 | 19.94 |
| (e) CP Industries Holdings Inc. USA, a subsidiary of the Company, is exposed to environmental risks. The Subsidiary has various policies and procedures to avoid environmental contamination and to mitigate the risks of environmental contamination. The Subsidiary conducts periodic reviews to identify changes in its environmental risk profile. Liabilities are accrued when environmental assessments and / or clean-ups are probable and the costs can be reasonably estimated. The Subsidiary is not aware of any environmental claims existing as of March 31, 2017. However, there can be no assurance that current regulatory requirements will not charge or unknown past non-compliance with environmental laws will not be discovered on the Subsidiary's properties. | | |

5. Foreign Currency exposures that are not hedged by derivative instruments or otherwise:

Particulars	As at 31st March 2017		As at 31st March 2016	
	Amount in Foreign Currency	(₹ in Lakh)	Amount in Foreign Currency	(₹ in Lakh)
Debtors - USD	103,642	67.20	123,665	82.03
Receivable against sale of Assets - USD	24,709,476	16,021.47	-	-
Creditors - USD	146,420	94.94	130,107	86.30
Creditors - Euro	12,354	8.55	35,740	26.80
Advances to Suppliers / Others - USD	310,297	201.19	88,290	58.57
Advances to Suppliers / Others - EURO	16,219	11.23	-	-
Advance received from Customers - USD	24,703	16.02	34,283	22.74
Loans Borrowed - USD	6,718,621	4,356.26	6,224,256	4,128.73
Bank Balances - USD	7,916	5.13	4,299	2.85
Bank Balances - CZK	-	-	16,118	0.45
Cash and Bank Balances - AED	557,383	98.20	554,233	99.71
Interest Payable - USD	24,367	15.80	80,201	53.20

6. Related Parties Disclosures:

1. Relationships :
- (a) Related parties where Promoter, Directors and Relatives exercise significant influence :
- Everest Kanto Investment and Finance Private Limited
Khurana Gases Private Limited
Medical Engineers (India) Limited
Khurana Fabrication Industries Private Limited
Khurana Exports Private Limited
Everest Industrial Gases Private Limited
Khurana Charitable Trust
Khurana Education Trust
G.N.M. Realtors Private Limited
Ukay Valves & Founders Private Limited
Jayakar & Partners
NGGT Infotek Private Limited
- (b) Key Management Personnel :
- Mr. Prem Kumar Khurana
Mr. Puneet Khurana
Mr. Pushkar Khurana
Mr. Vipin Chandok (Chief Financial Officer) (Till 27th August, 2015)
Mr. Kishore Thakkar (Chief Financial Officer) (Since 6th November, 2015)
Mr. Alok Bodas (Company Secretary) (Since 9th February, 2017)
Ms. Bhagyashree Kanekar (Company Secretary) (Till 14th November, 2016)
- (c) Relatives of Key Management Personnel, with whom transactions have taken place :
- Mr. S. S. Khurana
Mrs. Suman Khurana
Mr. Varun Khurana

2. Transactions with related parties: (₹ in Lakh)

Nature of Transactions	Related parties referred in		
	1(a) above	1(b) above	1(c) above
Sales :			
Goods			
- Medical Engineers (India) Limited	397.27 (536.62)	- (-)	- (-)
Fixed Assets			
- Medical Engineers (India) Limited	6.12 (-)	- (-)	- (-)
Purchases:			
Fixed Assets			
- Everest Kanto Investment and Finance Private Limited	- (112.25)	- (-)	- (-)
- Khurana Gases Private Limited	- (6.50)	- (-)	- (-)
- Medical Engineers (India) Limited	- (1.46)	- (-)	- (-)
- Prem Kumar Khurana	- (-)	- (12.00)	- (-)
Consumables			
- Medical Engineers (India) Limited	- (1.15)	- (-)	- (-)
Expenses / Payments:			
Remuneration			
- Pushkar Khurana	- (-)	109.37 (106.69)	- (-)
- Puneet Khurana	- (-)	10.07 (-)	- (-)
- Vipin Chandok	- (-)	- (18.14)	- (-)
- Bhagyeshree Kanekar	- (-)	4.04 (5.44)	- (-)
- Alok Bodas	- (-)	0.77 (-)	- (-)
Professional fees			
- Kishore Thakkar	- (-)	27.14 (11.25)	- (-)
- Others	11.56 (-)	- (-)	- (-)
Rent			
- Everest Industrial Gases Private Limited	30.00 (36.00)	- (-)	- (-)
- Khurana Gases Private Limited	13.88 (13.70)	- (-)	- (-)
- Khurana Exports Private Limited	39.93 (39.60)	- (-)	- (-)
- Khurana Fabrication Industries Private Limited	16.05 (33.32)	- (-)	- (-)
- Others	- (-)	6.01 (6.00)	6.03 (6.00)
Other Expenses	11.43 (12.36)	- (0.97)	- (-)
Interest Expenses			
- Everest Kanto Investment and Finance Private Limited	196.47 (176.20)	- (-)	- (-)
- Khurana Gases Private Limited	76.87 (74.93)	- (-)	- (-)

Nature of Transactions	Related parties referred in		
	1(a) above	1(b) above	1(c) above
- Khurana Fabrication Industries Private Limited	14.87 (4.10)	- (-)	- (-)
Loans repaid during the Year			
- Everest Kanto Investment and Finance Private Limited	6.81 (135.00)	- (-)	- (-)
- Khurana Gases Private Limited	28.93 (404.00)	- (-)	- (-)
Loans taken during the Year			
- Everest Kanto Investment and Finance Private Limited	102.81 (1,303.50)	- (-)	- (-)
- Khurana Gases Private Limited	182.93 (723.00)	- (-)	- (-)
- Khurana Fabrication Industries Private Limited	63.00 (38.25)	- (-)	- (-)
Balances Outstanding :			
Loans Taken			
- Everest Kanto Investment and Finance Private Limited	1,685.00 (1,589.00)	- (-)	- (-)
- Khurana Gases Private Limited	667.00 (513.00)	- (-)	- (-)
- Khurana Fabrication Industries Private Limited	135.00 (72.00)	- (-)	- (-)
Advance from			
- Medical Engineers (India) Limited	45.77 (7.09)	- (-)	- (-)
Payables			
- Khurana Gases Private Limited	- (15.60)	- (-)	- (-)
- Everest Kanto Investment and Finance Private Limited	- (36.02)	- (-)	- (-)
- Khurana Exports Private Limited	0.53 (0.91)	- (-)	- (-)
- Khurana Fabrication Industries Private Limited	- (3.84)	- (-)	- (-)
- Others	0.36 (1.54)	0.37 (2.35)	- (-)
Receivables			
- Medical Engineers (India) Limited	- (370.27)	- (-)	- (-)
- Khurana Exports Private Limited	10.00 (10.00)	- (-)	- (-)
- Kishore Thakkar	- (-)	11.75 (11.75)	- (-)
- Puneet Khurana	- (-)	9.93 (8.51)	- (-)
Personal Guarantee Given for Borrowing by the Company (@)	34,374.07 (34,996.62) Jointly by Promoter Directors		

@ Personal Guarantees given to banks of ₹ 40,000.00 Lakh and US\$ 15 Million (₹ 40,000.00 Lakh and US\$ 15 Mn as on March 31, 2016) by Promoter Directors for the Term Loans and Working Capital Loans, against which ₹ 34,374.07 Lakh (₹ 34,996.62 Lakh as on March 31, 2016) were outstanding as at the end of the year.

(Previous year figures are in brackets).

7. Assets Taken on Operating Lease:

The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by Life Insurance Corporation of India (LIC)) are given below:

	As at 31st March, 2017 (₹ in Lakh)	As at 31st March, 2016 (₹ in Lakh)		(₹ in Lakh) Year ended 31st March, 2017	Year ended 31st March, 2016
(a) The total future minimum lease rentals payable against Cancellable / Non-Cancellable leases at the Balance Sheet date are as under:			<u>Change in present value of obligation:</u>		
- For a period not later than one year	450.66	344.54	Obligation at beginning of the year	173.22	164.30
- For a period later than one year and not later than five years	1,262.97	860.84	Current Service Cost	15.78	20.13
- For a period later than five years	1,475.08	846.15	Interest Cost	13.98	13.99
(b) Assets Given on Operating Lease:			Actuarial (Gain) / Loss	(0.03)	5.16
Cylinders			Benefits Paid	(8.47)	(30.36)
(i) Gross Carrying Amount	14.16	19.81	Obligation at the end of the year	194.48	173.22
Depreciation for the year	0.50	8.07	<u>Change in Plan assets (Managed by LIC):</u>		
Accumulated Depreciation	1.55	6.39	Fair value of Plan Assets at beginning of the year	138.61	157.40
(ii) The total future minimum lease rentals receivable against Cancellable/Non-cancellable leases at the Balance Sheet date are as under:			Expected return on Plan Assets	11.89	14.12
- For a period not later than one year	-	4.32	Actuarial (Loss)	(1.10)	(2.55)
- For a period later than one year and not later than five years	-	-	Contributions	-	-
- For a period later than five years	-	-	Benefits Paid	(8.47)	(30.36)
8 Bonds/Undertakings given by the Company under concessional duty / exemption schemes to government authorities (net of obligations fulfilled) aggregate ₹ 693.17 Lakh as at the close of the year (March 31, 2016: ₹ 19.94 Lakh).			Fair Value of plan assets at end of the year	140.93	138.61
9 During the year ended 31st March, 2017, the Chairman & Managing Director (CMD) was entitled to remuneration of ₹ 93.17 Lakh (during the year ended 31st March, 2016 ₹ 61.19 Lakh) as per Schedule V to the Companies Act, 2013. However, the CMD has voluntarily decided not to draw any remuneration from the Company.			<u>Break up of categories of plan assets:</u>		
10 Everest Kanto Cylinder Limited, India:			Government Securities	-	-
In accordance with Accounting Standard (AS) 15 – 'Employee Benefits', an amount of ₹ 57.42 Lakh (Previous Year ₹ 57.85 Lakh) as contribution towards defined contribution plans is recognised as expense in the Statement of Profit and Loss.			Bonds, Corporate Debt and Non-Convertible debentures	-	-
			Equity Investment in 'A' Group Shares (Predominantly)	-	-
			Insurer Managed Funds	100%	100%
			<u>Reconciliation of present value of the obligation and the fair value of plan assets and amounts recognized in the Balance Sheet:</u>		
			Present value of Obligation at the end of the year	194.48	173.22
			Fair Value of Plan Assets at the end of the year	140.93	138.61
			Net Liability recognized in the Balance Sheet	53.55	34.61
			<u>Gratuity cost recognised for the year:</u>		
			Current Service Cost	15.78	20.13
			Interest Cost	13.98	13.99
			Expected Return on Plan Assets	(11.89)	(14.12)
			Actuarial Loss	1.07	7.71
			Net Gratuity Cost	18.94	27.71

₹ in Lakh

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013
Assumptions:					
Discount Rate	7.15%	7.70%	7.95%	9.00%	7.95%
Rate of growth in salary levels *	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality	Assured Lives Mortality (2006-08)	Assured Lives Mortality(2006-08)	Assured Lives Mortality(2006-08)	Assured Lives Mortality(2006-08)	Assured Lives Mortality(2006-08)
Expected Rate of Return on Assets	8.00%	8.00%	8.75%	7.50%	7.50%
Withdrawal Rate	3% to 7.50%	3% to 7.50%	3% to 7.50%	3% to 7.50%	3% to 7.50%
Present Value of Obligations	194.48	173.22	164.30	161.67	170.83
Fair Value of Plan Assets	140.93	138.61	157.40	155.85	174.25
Surplus / (Deficit) in the Plan	(53.55)	(34.61)	(6.90)	(5.82)	3.42
Experience Adjustments					
- On Plan Liabilities	(8.86)	1.53	(7.90)	21.32	(13.21)
- On Plan Assets	1.10	2.55	2.58	(0.58)	1.42

Expected Employer's Contribution next year ₹ 40.00 Lakh (Previous Year ₹ 35.00 Lakh)

* The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

CP Industries Holdings Inc., USA:

The Subsidiary has a non-contributory defined benefit pension plan covering all union employees hired prior to June 1, 2006. The benefits are based on years of service and the applicable compensation level under the plan. Its funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in future. Accordingly, during the current year ₹ 284.78 Lakh provision was reversed as compared to charge to revenue of ₹ 50.10 Lakh during previous year, towards Pension and Post Retirement plan adjustments. Accordingly, the liabilities towards the year ended March 31, 2017 were ₹ 1,503.63 Lakh (₹ 2,001.96 Lakh as on March 31, 2016).

	Year ended 31st March, 2017 (₹ in Lakh)	Year ended 31st March, 2016 (₹ in Lakh)	
11. Computation of Earnings per Share:			15. Short term loans and advances and other current assets includes an aggregate amount of ₹ 1,724.09 Lakh (₹ 1,724.09 Lakh as at 31st March, 2016) towards secured inter-corporate deposit advanced to Akruti City Limited (now Hubtown Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favor of the Company. Based on on-going discussion with Akruti City Limited (now Hubtown Limited), the management is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for losses on account of non-recoverability of amounts, if any, is necessary at present.
Net Profit / (Loss) for the Year	7,869.20	(12,408.86)	
Weighted Average Number of Equity Shares	112,207,682	107,171,518	
Number of Equity Shares Outstanding at the End of the Year	112,207,682	112,207,682	
Nominal Value per Share (in ₹)	2.00	2.00	
Basic and Diluted Earnings per Share (in ₹)	7.01	(11.58)	
12. Segment Reporting :			16. Exceptional items:
(Please refer to Page No.113)			a. During the year ended 31 March, 2017, the Company has entered into an agreement towards sale of building, electrical installations along with land appurtenant thereto (the "Specified Assets"), situated at Gandhidham, for an aggregate consideration of USD 29 Million. Pursuant to this transaction and subsequent realizations post year end, the Company has recognised sale of the Specified Assets (except agricultural land) and have considered the gain of ₹ 12,923.38 Lakh from the transaction as an 'Exceptional Item' in the Statement of Profit and Loss. However, pending receipt of relevant government approvals towards conversion of agricultural land to industrial land, it has been continued as 'Assets held for sale' and has been grouped under 'Other Current Assets'. The sales consideration and
13. Total research and development expenses incurred at C. P. Industries Holdings Inc. were approximately ₹ 172.42 Lakh (₹ 319.91 Lakh as on March 31, 2016). The Subsidiary charges the entire research and development costs to the Statement of Profit and Loss.			
14. As at 31st March, 2017, the Company has an investment of ₹ 200 Lakh (₹ 200 Lakh as at 31st March, 2016) in 2,000,000 Equity Shares of GPT Steel Industries Private Limited (GPT). Based on the latest audited financial statements of GPT, its Net Worth is substantially eroded. The Company had made an assessment during the year 2010-11 and had accordingly provided for 100% diminution in value of investments made in GPT. The position as at 31st March, 2017 remains the same.			

carrying value of the agricultural land is USD 4 Million and ₹ 274 Lakh, respectively. An amount of USD 2 Million has been received as an advance against the said agricultural land and has been included under 'Other Current Liabilities'. To give effect to the above agreement and ensure smooth continuance of the business, the Company has shifted its manufacturing facilities from Gandhidham to Kandla Plant and have incurred shifting expenses to the extent of ₹ 696.33 Lakh. These shifting expenses have also been disclosed as an Exceptional Item in the Statement of Profit and Loss.

- b. During the current year, the Company has sold/discarded certain items of plant of machinery rendered unusable for an aggregate loss of ₹ 1,539.44 Lakh (including impairment loss of ₹ 61.92 Lakh on Assets held for sale with residual carrying value ₹ 19.82 Lakh). The loss has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
 - c. During the current year, the Company has decided to sell certain items of plant and machinery forming part of 'Capital work in progress'. Accordingly, these assets have been considered as 'Assets held for Sale' and have been grouped under 'Other current assets'. The carrying value of these assets has been written down to their net realizable value at ₹ 1,548.48 Lakh and an impairment loss of ₹ 628.71 Lakh has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
 - d. Benefit on closure of borrowing obligation of ₹ Nil (Previous year ₹ 507.73 Lakh) has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
 - e. Provision towards diminution in value for slow and non-moving inventory of ₹ 487.84 Lakh (Previous year ₹ 615.68 Lakh) has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
 - f. Expenses of ₹ Nil (Previous year ₹ 300.44 Lakh) incurred for claim settlement towards delay in delivery of machinery under sales contract has been disclosed as an Exceptional Item in the Statement of Profit and Loss.
17. As on 31st March, 2017, Other Current Assets include office premises at Mumbai having book value ₹ 1,235.68 Lakh (As on 31st March, 2016 ₹ 1,235.68 Lakh) and land at China having book value ₹ 87.29 Lakh (Previous year ₹ 95.24 Lakh being Fixed assets considered as 'Assets held for Sale', pursuant to the decision of the Board of Directors of the Company to dispose off the same in the near future.
18. In accordance with Accounting Standard (AS) – 9 - 'Revenue Recognition', the Company has deferred the recognition of interest income of ₹ 304.03 Lakh (As on March 31, 2016 ₹ 228.44 Lakh), due to uncertainties involved in ultimate collection of the outstanding amounts.

19. During the year 2012-13, the provision of ₹ 4,469.35 Lakh was made in respect of trade receivables of EKC International FZE, UAE, that were due for more than one year as at the end of that financial year, due to the prevalent geo-political situation in the Middle East and out of abundant caution. During the current year, ₹ 72.91 Lakh (₹ 516.55 Lakh as on March 31, 2016) have been recovered against the same. Management is confident of recovering the balance receivables of ₹ 1,583.99 Lakh (₹ 1,654.46 Lakh as at 31 March, 2016).
20. The outstanding balances of the Company as at 31st March, 2017 include trade payables aggregating ₹ 6,352 Lakh and trade receivables aggregating ₹ 61.34 Lakh to/from group companies situated outside India. These balances are pending for settlement due to financial difficulties and have resulted in delays in remittance of payments and receipt of receivables, beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 and FED Master Direction No. 17/2016-17 under the Foreign Exchange Management Act, 1999. The Company is in the process of regularizing the defaults by filing necessary applications with the appropriate authority for condonation of delays.
21. Disclosure on specified bank notes (SBNs)
During the year, the Company had SBNs/other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March, 2017. The denomination wise details of the SBNs and other notes held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs ^ ₹ in Lakh	Other denomination notes ₹ in Lakh	Total ₹ in Lakh
Closing cash in hand as on 8 November 2016:	30.68	6.07	36.75
(+) Permitted receipts	-	10.31	10.31
(-) Permitted payments	-	8.63	8.63
(-) Amount deposited in Banks	30.68	-	30.68
Closing cash in hand as on 30 December 2016:	-	7.75	7.75

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India, in the ministry of finance, Department of economics affairs number S.O. 3407 (E), dated 8 November 2016.

22. Previous year's figures have been reclassified/regrouped to conform to current year's classification/grouping.
23. Significant Accounting Policies followed by the Company are as stated in the Statement annexed to this note as Annexure I.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Alok Bodas
Company Secretary

Kishore Thakkar
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2017

For and on behalf of the Board

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

Pushkar Khurana
Director
DIN:- 000040489

12. Segment Reporting**A. Geographical Segment – Primary**

(₹ in Lakh)

Particulars	India		UAE		China		USA & Hungary		Rest of the World		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(a) Segment Revenue	25,162.22	17,585.28	15,680.55	16,590.78	5,045.68	5,561.35	18,217.62	18,768.07	2,362.24	1,521.80	66,468.31	60,027.28
Less: Inter Segment Revenue	330.37	662.58	4,367.76	3,447.98	4,671.25	4,961.66	172.08	3.02	160.86	376.25	9,702.32	9,451.49
	24,831.85	16,922.70	11,312.79	13,142.80	374.43	599.69	18,045.54	18,765.05	2,201.38	1,145.55	56,765.99	50,575.79
(b) Segment Results	12,418.63	(3,875.27)	394.12	1,040.36	(1,580.48)	(1,813.23)	951.12	(1,526.33)	(34.36)	(57.81)	12,149.03	(6,232.28)
Unallocable Income (net of Expenses)											552.71	262.99
Profit/(Loss) before Foreign Exchange Fluctuation (Net), Finance Charges and Tax											12,701.74	(5,969.29)
Foreign Exchange Fluctuation -(Loss)/Gain (Net)											(364.55)	(952.80)
Profit /(Loss) before Finance Charges and Tax											12,337.19	(6,922.09)
Finance Charges											4,452.69	5,351.40
Profit/ (Loss) Before Tax											7,884.50	(12,273.49)
Provision for Taxation												
- Current Tax											(15.30)	(15.94)
- Deferred Tax Credit / (Charge)											-	(13.75)
- Tax Adjustments of Earlier Years (Net)											-	(105.68)
Net Profit/ (Loss) after Tax											7,869.20	(12,408.86)
Other Information												
(c) Segment Assets	56,645.66	48,363.11	14,776.10	18,239.50	11,344.27	12,989.34	22,973.33	21,525.90	1,032.52	765.30	106,771.88	101,883.15
Add: Unallocated											5,101.38	2,279.53
Total Segment Assets											111,873.26	104,162.68
(d) Segment Liabilities	5,799.70	2,981.40	2,405.95	2,656.94	1,178.11	1,109.53	6,123.47	4,825.80	49.78	60.17	15,557.01	11,633.84
Add: Unallocated											54,545.52	58,191.99
Total Segment Liabilities											70,102.53	69,825.83
(e) Capital Expenditure	1,040.48	213.82	663.13	856.99	189.50	296.40	752.60	839.89	1.64	-	2,647.35	2,207.10
Add: Unallocated											-	-
Total Capital Expenditure											2,647.35	2,207.10
(f) Depreciation / Amortisation	1,509.96	1,730.20	351.30	262.75	895.33	977.79	1,578.86	4,181.11	0.36	1.15	4,335.81	7,153.00
Add: Unallocated											-	-
Total Depreciation / Amortisation											4,335.81	7,153.00
(g) Other Non Cash Expenditure	2,889.82	427.18	-	-	35.14	26.29	-	-	-	-	2,924.96	453.47

B. Other Disclosures

1. Segment information has been identified in accordance with Accounting Standard (AS) 17 – Segment Reporting considering the organisation structure and the differing risks and returns of these segments.
2. The Company and its subsidiaries operate within a single business segment. Hence, the Company has disclosed geographical segment as the primary segment on the basis of geographical location of the operations carried out by the Holding Company, its subsidiaries and step down subsidiaries.
3. The Management evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are India, United Arab Emirates (UAE), China, United States of America (USA) and Hungary and Rest of the World.
4. Inter Segment Revenues are recognised at sales price.
5. The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and the amounts allocated on a reasonable basis.

Annexure I
SIGNIFICANT ACCOUNTING POLICIES:
A. Basis of preparation of financial statements:

The financial statements, which have been prepared under the historical cost convention on the accrual basis of accounting. The financial statements of the Holding Company have been prepared in accordance with the Generally Accepted Accounting Principles in India. The financial statements of the foreign subsidiaries have been prepared in accordance with the local laws and the applicable Accounting Standards / Generally Accepted Accounting principles duly adapted/aligned with the Accounting Standards specified under section 133 of the Companies Act (the 'Act'), 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, (as amended) and other relevant provisions of the Act, wherever required, for the purpose of consolidation. The financial statements of the subsidiaries used in the consolidation, are drawn upto the same reporting date as that of the Holding Company, i.e. year ended 31st March.

All the assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non-current classification of assets and liabilities.

B. Principles of Consolidation:

- a. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.

Assets and liabilities of subsidiaries are translated into Indian rupees at the rate of exchange prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian rupees at average of twelve months currency exchange rates. Resulting variation on account of exchange rates are accumulated in a Foreign Currency Translation Reserve Account.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are not considered for consolidation from the date of disposal.

The difference between the costs of investment in subsidiaries over the relevant equity portion of the subsidiary is recognized in the financial statements as goodwill or capital reserve on the date of acquisition.

Goodwill on consolidation is amortized over a period of five years.

Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their shares in the equity subsequent to the dates of investments.

- b. The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies except, to the extent of variation mentioned below, which, in the opinion of the management, does not have any material impact on the consolidated financial statements.

Variation in Accounting Policies:-

Employee benefits such as gratuity and long term compensated absences are accrued by the UAE subsidiary on an undiscounted basis over the period of employment contract, whereas employee benefits for other group companies are recognised on the basis of an actuarial valuation. The impact of the same, in the opinion of the management, would not be significant.

C. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known.

Examples of such estimates include the useful life of fixed asset, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, provision for inventory obsolescence, impairment of investments etc.

D. Revenue Recognition:

- a. Revenue/Income and Cost/Expenditure are generally accounted for on accrual basis as they are earned or incurred except in case of significant uncertainties;
- b. Sale of goods is recognized on transfer of significant risks and rewards of ownership, which is generally on the dispatch of goods;
- c. Export Benefits are recognised in the year of export when the right to receive the benefit is established;
- d. Dividend income is recognised in the year in which the right to receive dividend is established;
- e. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

E. Employee Benefits:

- a. **Short term employee benefits** are recognised as an expense at the undiscounted amount in the Statement

of Profit and Loss of the year in which the related service is rendered;

b. Post-employment benefits

i. Defined contribution plans:

Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which the related service is rendered;

ii. Defined benefit plans:

The present value of the obligation under such plans is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognize the obligation on net basis;

Retirement Plans (CP Industries Holdings Inc.):

The Subsidiary has a noncontributory defined benefit pension plan covering all union employees hired prior to June 1, 2006. The benefits are based on years of services and the applicable compensation levels under the plan. Its funding policy is to fund pension cost as determined by actuarial valuation. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in the future.

It also has two 401(k) savings plans which cover substantially all union and non union employees. For both plans, the Company matches a percentage of the employees' contributions up to the maximum level. The matching contributions to the plans were approximately ₹ 40.85 Lakhs (\$63,000.00) for 2017 and ₹ 41.79 Lakhs (\$63,000.00) for 2016. There were no discretionary contributions made to the non-union employees' plan in 2016.

c. Long term compensated absences are accounted on the basis of an actuarial valuation.

d. **Termination Benefits** are recognised as an expense in the Statement of Profit and Loss of the year in which they are incurred.

F. Foreign Currency Transactions / Translations:

a. For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiaries (considered as non-integral operations) are translated at the following rates of exchange:

i. Average rates for income and expenditure.

ii. The year-end rates for all assets and liabilities.

Resulting variation on account of exchange rates are accumulated in a Foreign Currency Translation Reserve Account.

b. Translations within the entity:

i. All transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place;

ii. Monetary assets and liabilities in foreign currency outstanding at the close of the year are converted into equivalent Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted for during the year;

iii. Non-monetary foreign currency items are carried at cost;

iv. In respect of forward exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Derivative contracts intended for trading purposes, are marked to their current market value and gain / loss on such contracts is recognised in the Statement of Profit and Loss for the year. Profit or loss on cancellations / renewals of forward contracts is recognised during the year;

v. Accounting of Foreign Branch (Integral Foreign Operation):

- Monetary assets and liabilities are converted at the appropriate rate of exchange prevailing on the Balance Sheet date;

- Fixed assets and depreciation thereon are converted at the exchange rates prevailing on the date of the transaction;

- Revenue items are converted at the rate prevailing on date of the transaction.

G Fixed Assets and Depreciation / Amortization:

a. Fixed Assets:

Fixed Assets are carried at cost of acquisition/ construction less accumulated depreciation and amortisation. Cost of acquisition includes taxes/ duties (net of credits availed) and other attributable costs for bringing assets to the condition required for

their intended use. Each part of an item of Plant and equipment with a cost that is significant in relation to the total cost of item and with different useful life is depreciated separately. This applies mainly to components for machinery.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

b. Depreciation / Amortization:

- i. Cost of Leasehold Land is amortized over the period of the Primary/Secondary period of lease;
- ii. Depreciation on the fixed assets of the Holding Company, CC&L and EKC International FZE has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, with residual value of 5%, except in respect of the following categories of the assets, in whose case the useful life of the asset has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

Plant and Machinery: 10 to 25 years

Gas Cylinders: 25 years

Further, Significant components of assets in Holding Company are depreciated separately over their respective useful lives; the remaining components are depreciated over the life of the principal asset. In respect of certain foreign subsidiaries, depreciation has been charged on pro-rata basis at the rates and methods as prescribed in the respective local regulations of the country of incorporation, which generally represents useful life of these assets.

- iii. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or upto the date of such sale/disposal as the case may be.

H. Investments:

Investments are classified into Current and Long-term Investments. Investments, which are readily realisable and intended to be held for not more than one year from the date on which such Investments are made, are classified

as Current Investments. All other Investments are classified as Long term investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. However, A provision for diminution is made to recognise a decline other than temporary in the value of Long-term Investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

I. Inventory Valuation:

- a. The inventories resulting from intra-group transactions are stated at cost after deducting unrealised profit on such transactions;
- b. Goods in transit are stated 'at cost';
- c. Other inventories are stated 'at cost or net realisable value', whichever is lower;
- d. Cost comprises all costs incurred in bringing the inventories to their present location and condition. Cost formulae used are either 'weighted average cost', 'first-in-first-out' or 'specific identification', as applicable.

J. Taxation:

Income-tax expense comprises Current Tax and Deferred Tax Charge or Credit.

- a. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year;
- b. Deferred Tax is recognized on timing difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Asset (DTA) and Deferred Tax Liability (DTL) are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. DTL are recognised for all taxable timing differences. DTA arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is a virtual certainty of its realisation supported by convincing evidence. Where there is no unabsorbed depreciation and/or brought forward losses, DTA on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of DTA are reviewed to reassess realisation.
- c. Minimum Alternative Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at Balance Sheet date and carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence

to the effect that the Company will pay normal income tax during the specified period.

K. Borrowing Costs:

Interest and other borrowing costs attributable to acquisition / construction of qualifying assets are capitalised as part of the cost of such assets upto the date the assets are ready for their intended use. Other borrowing costs are charged as expense in the year in which these are incurred.

L. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess whether there is any indication that an individual asset / group of assets (constituting a Cash Generating Unit) may be impaired. If there is any indication of impairment based on internal / external factors i.e. when the carrying amount of the assets exceed the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss recognized in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

M. Government Grants:

Government grants received to meet the costs of specific fixed assets are recognised as a reduction in the cost of the respective asset. Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis so as to match the related costs.

N. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events; it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

O. Leases:

The Company has leased out certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs for securing lease contracts are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on a straight line basis.

P. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



NOTES

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**ATTENDANCE SLIP****EVEREST KANTO CYLINDER LIMITED****Registered Office:** 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.**CIN:** L29200MH1978PLC020434

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 38th Annual General Meeting of the Company at M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 on Wednesday, September 27, 2017 at 11 a.m.

Full name of the Member (in block letters) _____ Signature _____
 Folio No.: _____ DP ID No.* _____ Client ID No.* _____
 *Applicable for member holding shares in electronic form

Full name of the proxy (in block letters) _____ Signature _____

----- ✂ ----- TEAR HERE ----- ✂ -----

**PROXY FORM****EVEREST KANTO CYLINDER LIMITED****Registered Office:** 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai - 400 021.**CIN:** L29200MH1978PLC020434

PROXY FORM - MGT - 11 (Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) : _____
 Registered address: _____
 E-mail Id: _____ DP ID No. _____
 Folio No. _____ Client ID No. _____
 I / We, being the member(s) of _____ Equity Shares of Everest Kanto Cylinder Limited, hereby appoint :
 1. Name : _____
 Address : _____
 E-mail Id : _____ Signature : _____ or failing him / her
 2. Name : _____
 Address : _____
 E-mail Id : _____ Signature : _____ or failing him / her
 3. Name : _____
 Address : _____
 E-mail Id : _____ Signature : _____

As my /our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38th Annual General Meeting of the Company, to be held on Wednesday, September 27, 2017 at 11.00 a.m. at M.C. Ghia Hall at Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

RESOLUTIONS	Optional*	
	For	Against
Ordinary Business		
1. Adoption of the Financial Statements and Directors' and Auditors' Reports thereon for the year ended March 31, 2017.		
2. Re-appointment of Mr. Pushkar Khurana (DIN: 00040489), retiring by rotation, as a Director of the Company, liable to retire by rotation		
3. Ratification of the appointment of Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors of the Company.		
Special Business		
4. Ratification of the remuneration of the Cost Auditors.		

Signed this _____ day of _____, 2017.

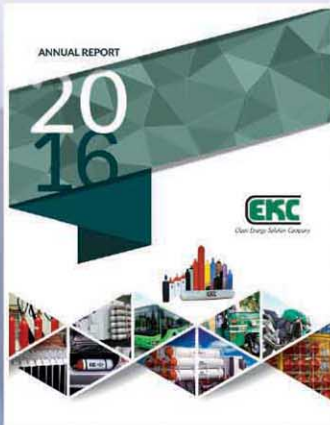
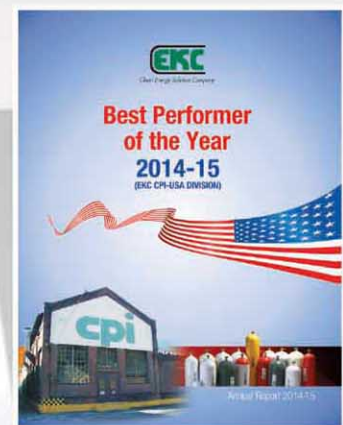
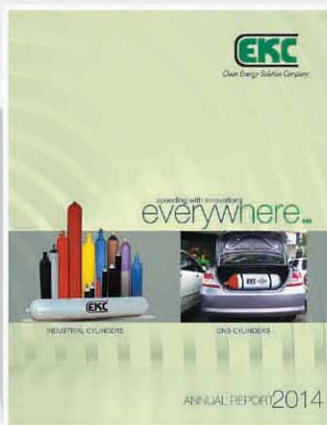
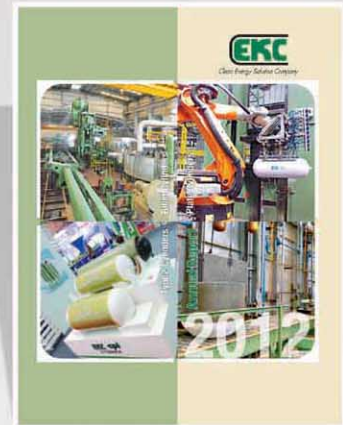
Signature of Shareholder _____ Signature of Proxy Holder (s) _____

Affix Revenue Stamp not less than Re. 0.15

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the
2. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 38th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

TEAR HERE



- One of the largest High Pressure seamless cylinder manufacturers globally.
- Widest range from 1 ltr to 3000 ltr high pressure gas cylinders.
- Total production capacity of over two million cylinders per annum.
- Manufacturing plants in India, Dubai, China and United States of America.
- All EKC plants carry ISO: 9001 accreditation for quality management systems.





Clean Energy Solution Company

EVEREST KANTO CYLINDER LIMITED

INDIA • DUBAI • USA • CHINA • THAILAND • EUROPE • SOUTH AMERICA

Regd. Off: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400 021, India.
Tel: +91-22-3026 8300-01 ■ Fax: -91-22-2287 0720 ■ Email: investors@ekc.in ■ Website: www.everestkanto.com

EVEREST KANTO CYLINDER LIMITED

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021

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

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

Annexure 1

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Standalone)

Statement on Implication of Audit Qualification for the Financial Year ended 31 March 2017

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016]

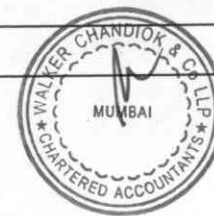
(Amt. in Lakhs)

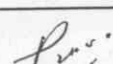
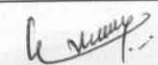
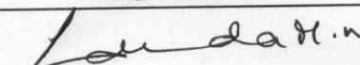
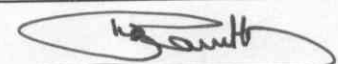
I.	Sr. No.	Particulars	Audited Figures	Adjusted Figures
			(as reported before adjusting for qualifications)	(Audited figures after adjusting for qualifications)
	1	Turnover / Total income	38,409	38,409
	2	Total Expenditure	31,229	Not ascertainable (Refer II (a) below)
	3	Net Profit/(Loss)	7,180	Not ascertainable (Refer II (a) below)
	4	Earnings Per Share (Amt. in `)	6.40	Not ascertainable (Refer II (a) below)
	5	Total Assets	68,842	Not ascertainable (Refer II (a) below)
	6	Total Liabilities	54,003	54,003
	7	Net Worth	14,839	Not ascertainable (Refer II (a) below)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each audit qualification separately):		Auditors Qualification 1	Auditors Qualification 2
a.	Details of Audit Qualifications:	<p>The extract of qualification in the audit report is as follows:</p> <p>As stated in note 3(a) to the financial results, the Company's current investments, as at 31 March 2017, include an investment amounting to Rs. 6,925 Lakh (as at 31 March 2016: Rs. 6,925 Lakh) in its wholly owned Subsidiary in China, EKC Industries (Tianjin) Co. Ltd., whose financial results as at 31 March 2017 indicate significant accumulated losses and net worth being fully eroded, however, as at 31 March 2017, a provision of only Rs. 5,500 Lakh (as at 31 March 2016: Rs. 3,500 Lakh) has been recognized in the books for diminution in value of investments, on an adhoc basis. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of this investment and the consequential impact, if any, on the accompanying financial results. Our audit opinion for the year ended 31 March 2016 was also qualified in respect of this matter.</p>	<p>The extract of qualification in the audit report is as follows:</p> <p>As detailed in note 5 to the financial results, the Company's short term loans and advances and other current assets include inter-corporate deposit and accrued interest thereon, aggregating Rs. 1,347 Lakh (as at 31 March 2016 Rs. 1,347 Lakh) and Rs. 377 Lakh (as at 31 March 2016 Rs. 377 Lakh), respectively. In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our audit opinion for the year ended 31 March 2016 was also qualified in respect of this matter.</p>
b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	This is third year of qualification	This is second year of qualification
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable	Not Applicable
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		



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(i)	Management's estimation on the impact of audit qualification:	As regard the Investment by way of share capital of Rs. 6,925.07 Lakhs in EKC Industries (Tianjin) Company Limited, a wholly owned subsidiary based in China, the Company is of the considered view, based on the assessment of the relevant factors, such as, the long term nature of the investment, future business prospects in the markets in which EKC Industries (Tianjin) Company Limited operates, expected appreciation in the fair value of the assets of EKC Industries (Tianjin) Company Limited, etc., that no provision for the diminution in the value of the Investment is required. However, on a conservative basis, an aggregate amount of Rs. 5,500 Lakhs (including Rs. 3,500 Lakhs upto 31 March 2016) has been provided towards such diminution and has been disclosed as an 'Exceptional Item' in the financial results.	Short term loans and advances and other current assets include an amount of Rs. 1,724 Lakhs (Rs. 1,724 Lakhs as at 31 March 2016) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruiti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruiti City Limited), the Company is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present.
(ii)	If management is unable to estimate the impact, reasons for the same:	Not Applicable	Not Applicable
(iii)	Auditors' Comments on (i) or (ii) above:	Included in details of auditor's qualification.	Included in details of auditor's qualification.
III. Signatories:			
	Chairman & Managing Director	P. K. Khurana	
	CFO	Kishore Thakkar	
	Audit Committee Chairman	M. N. Sudhindra Rao	
	Statutory Auditor	Khushroo B. Panthaky, Partner, Walker Chandio & Co LLP, Chartered Accountants	

Place: Mumbai
Date: 30th May, 2017



EVEREST KANTO CYLINDER LIMITED

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021

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

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

Annexure 1

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualification for the Financial Year ended 31 March 2017

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016]

(Amt. in Lakhs)

I.	Sr. No.	Particulars	Audited Figures	Adjusted Figures
			(as reported before adjusting for qualifications)	(Audited figures after adjusting for qualifications)
	1	Turnover / Total income	70,694	70,694
	2	Total Expenditure	62,825	Not ascertainable (Refer II (a) below)
	3	Net Profit/(Loss)	7,869	Not ascertainable (Refer II (a) below)
	4	Earnings Per Share (Amt. in ₹)	7.01	Not ascertainable (Refer II (a) below)
	5	Total Assets	1,11,873	Not ascertainable (Refer II (a) below)
	6	Total Liabilities (including Minority Interest)	70,102	70,102
	7	Net Worth	41,771	Not ascertainable (Refer II (a) below)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.				
		Audit Qualification (each audit qualification separately):	Auditors Qualification	
	a.	Details of Audit Qualifications:	<p>The extract of qualification in the audit report is as follows:</p> <p>As detailed in note 2 to the financial results, the Company's short term loans and advances and other current assets include inter-corporate deposit and accrued interest thereon, aggregating Rs. 1,347 Lakh (as at 31 March 2016 Rs. 1,347 Lakh) and Rs. 377 Lakh (as at 31 March 2016 Rs. 377 Lakh), respectively. In the absence of sufficient appropriate evidence, we are unable to comment on the recoverability of the aforesaid amounts and consequential impact, if any, on the financial results. Our audit opinion for the year ended 31 March 2016 was also qualified in respect of this matter.</p>	
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion	
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	This is second year of qualification	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification:	<p>Short term loans and advances and other current assets include an amount of Rs. 1,724 Lakhs (Rs. 1,724 Lakhs as at 31 March 2016) towards secured inter-corporate deposit advanced to Hubtown Limited (formerly Akruti City Limited) and accrued interest thereon. The deposit and accrued interest are outstanding for a considerable period. These deposits are secured against mortgage rights of an under-construction commercial property in favour of the Company. Based on its on-going discussion with Hubtown Limited (formerly Akruti City Limited), the Company is confident of recovering the inter-corporate deposit with accrued interest thereon and therefore believes that no provision for potential losses, if any, on account of non-recoverability of outstanding amounts is necessary at present.</p>	



	(ii)	If management is unable to estimate the impact, reasons for the same:	Not Applicable
	(iii)	Auditors' Comments on (i) or (ii) above:	Included in auditor's qualification.
III.	Signatories:		
		Chairman & Managing Director	P. K. Khurana
		CFO	Kishore Thakkar
		Audit Committee Chairman	M. N. Sudhindra Rao
		Statutory Auditor	Khushroo B. Panthaky, Partner, Walker Chandio & Co LLP, Chartered Accountants

Place: Mumbai
Date: 30th May, 2017

