



**ELLENBARRIE
INDUSTRIAL GASES LTD**

(A member of Air Water Inc. Group)

CIN : L24112WB1973PLC029102

BOARD OF DIRECTORS

Shri Padam Kumar Agarwala *Managing Director*
Shri Norio Shibuya *Joint Managing Director*
Shri Shanti Prasad Agarwala *Whole Time Director*
Shri Varun Agarwal *Executive Director*
Shri Manas Kumar Dutta *Independent Director*
Shri Swapan Kumar Bhowmik *Independent Director*
Ms. Aastha Shah *Independent Director*
Shri Kensuke Yamamoto *Non-Executive Director*
Shri Ryosuke Matsubayashi *Non-Executive Director*
Shri Hideo Tsutsumi *Non-Executive Director*

COMPANY SECRETARY CHIEF FINANCIAL OFFICER

Mrs. Priyanka Jaiswal Gupta Mr. K. Srinivas Prasad

STATUTORY AUDITORS AUDIT COMMITTEE

Mr. Abhishek Kumar Shri Manas Kr. Dutta, *Chairman*
Chartered Accountant Shri Kensuke Yamamoto
Ms. Aastha Shah

**RISK MANAGEMENT COMMITTEE STAKEHOLDER'S RELATIONSHIP
COMMITTEE**

Shri Norio Shibuya, *Chairman* Shri Kensuke Yamamoto, *Chairman*
Shri Ryosuka Matsubayashi Shri Manas Kr. Dutta
Shri Varun Agarwal Shri Norio Shibuya
Shri K. Srinivas Prasad

NOMINATION & REMUNERATION COMMITTEE

Shri Manas Kr. Dutta, *Chairman*
Shri Swapan Kr. Bhowmik
Shri Kensuke Yamamoto

PRINCIPAL BANKER SHARE TRANSFER AGENT

Bank of Baroda ABS Consultant Pvt. Ltd.
Brabourne Road 99, Stephen House, 6th Floor
Branch 4, B.B.D. Bag (East) Kolkata - 700 001
Phone : 033 2230 1043
Fax : 033 2243 0153
E-mail : absconsultant@vsnl.net

REGISTERED OFFICE

3A, Ripon Street, Kolkata - 700 016, W.B., India
Phone : +91 33 2229 2441 Fax : +91 33 2249 3396
E-mail : info@ellenbarrie.com

FACTORY

Kalyani Works	Uluberia Works	Parwada Works	Jadcherla Works
Block 'D', Plot No. - 25	NH-6, Bombay Road	Plot No. 57A, J.N. Pharmacy	Plot No. P-9B
Kalyani Industrial Estate	P.O. : Uluberia	Parwada	GIP Jadcherla
P.O. : Kalyani, Dist. : Nadia	Dist. : Howrah	Visakhapatnam	Dist. : Mahabubnagar
West Bengal	West Bengal	Andhra Pradesh	Telangana - 509 301 (A.P.)



NOTICE

Notice is hereby given that the 43rd Annual General meeting (AGM) of Ellenbarrie Industrial Gases Limited will be held on Monday, the 11th September, 2017 at 11.00 A.M. at The conclave, 216, A.J.C. Bose Road, Kolkata - 700 017 to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2017 and the reports of the Board of Directors ('the Board') and Auditors' thereon.
2. To appoint a director in place of Mr. Shanti Prasad Agarwala (DIN No. : 00187729), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Padam Kumar Agarwala (DIN No. : 00187727), who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Statutory auditor and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"Resolved that pursuant to the provisions of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013, the appointment of Mr. Abhishek Kumar, Chartered Accountant (Membership No. : 302000), as the Statutory Auditor of the Company from the conclusion of this Annual General Meeting till the conclusion of the Forty Seventh Annual General Meeting be and is hereby approved at remuneration of 125,000/- plus taxes as applicable, and reimbursement of out-of-pocket expenses incurred for the FY 2017-18."

AS SPECIAL BUSINESS

5. 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 Sections 149, 150 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV of the Act, Ms. Aastha Shah (DIN : 07771294), a Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for Independence as provided under section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from March 24, 2017."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution :

NOTICE (Contd.)

"RESOLVED THAT Mr. Hideo Tsutsumi (DIN : 07828529), who was appointed as Additional Director with effect from 29th May, 2017 on the Board of the Company in terms of section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing along with a deposit of Rupees One Lakh, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company."

7. 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 Sections 138 and Article of Association of the company and any other applicable provisions, if any, of the Companies Act, 2013 the appointment of M/s. A. R. Maity & Co., Chartered Accountants, as the Internal Auditors of the Company for the Financial Year 2017-18 be and is hereby approved at remuneration of 50,000/- plus taxes as applicable, and reimbursement of out-of-pocket expenses incurred.

"RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to issue letter of appointment to M/s. A. R. Maity & Co. stating their work coverage and other reporting responsibilities in consultation with Audit Committee.

8. 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 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditor) Rules, 2014, remuneration of Rs. 40,000/- payable to M/s. Datta, Ghosh, Bhattacharya & Associates, firm of Cost Accountant in practice, be appointed by the Board as the recommendation of Audit Committee for the year 2017-18 be and is hereby ratified.

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) consent of the members be and is hereby accorded to the Board of Directors to enter into agreement with the following companies on the basis of agreement, draft where of tabled at the meeting."



NOTICE (Contd.)

Sl No.	Name of the Company	Purpose of the Agreement	Amount to be paid
1.	Kobelco Air Water Cryoplant Ltd.	Supply of Plant & Machinery	Contract Price of JPY 243.5 Million
2.	Air Water India Pvt. Ltd.	Supply of Hardener for Tunnel freezer	INR 51,23,163/-
3.	Air Water India Pvt. Ltd.	Consulting and Advisory	5% Commission on sales prospects arranged by AWIPL
4.	Air Water Inc. Japan	Corporate Guarantee/ Standby Letter of Credit provided by the holding company in respect of loans borrowed by EIGL	No commission on Corporate Guarantee, Reimbursement of bank's commission on SBLC

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 11th August, 2017

By Order of the Board
For Ellenbarrie Industrial Gases Limited
PADAM KUMAR AGARWALA
Managing Director
(DIN : 00187727)

NOTES :

1. The explanatory Statement as required under Section 102(2) of the Companies Act, 2013 related to the Special business to be transacted at the 43rd Annual General Meeting is annexed herewith.
2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report.
3. Corporate members desiring to exercise voting through their representative are required to forward well in advance certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT. LTD., Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata - 700 001, any change in their address.
5. The Register of Members and Equity Share Transfer Registers will remain closed from 5th September, 2017 to 11th September, 2017. (both days inclusive).
6. Members should fill in their attendance slip for attending the meeting and bring their Attendance slips along with their copy of the Annual Report to the meeting. Members are requested to affix their signature at the space provided and handover the complete slip at the entrance of the place of the meeting.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding share in physical form who have not registered their e-mail address with the Company can now register the same by requesting the same, to M/s. ABS Consultant Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.



NOTICE (Contd.)

8. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
9. Members are requested to note that pursuant to provisions of section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules made thereunder, the dividend remaining unclaimed/unpaid for the period of seven years from the date of transfer to "Unclaimed Dividend Account" shall be credited to the Investors Education and Protection Fund set up by the Central Government.
10. Members are requested to bring their copies of the Annual Report and the attendance slips duly filled in to the annual general meeting.
11. All the documents referred to in the notice will be available for inspection at the Company's registered office during normal working business hours on working days up to the date of general meeting.
12. In order to comply with the requirement of SS-2 pertaining to General Meetings, a route map showing prominent landmark of the venue of the 43rd AGM of the Company is attached with the notice.
13. The details of the director(s) seeking appointment/re-appointment as required under Regulation 36(3) of the SEBI Listing Obligation and Disclosure Requirements, 2015 is annexed to the Notice.
14. Route Map showing directions to the venue of the meeting is also annexed to the report.
15. **Voting through electronic means**
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause Regulation 44 of the SEBI Listing Regulation, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system provided by Central Depository Services (India) Ltd. (CDSL).

The notice of the 43rd Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the 43rd Annual General Meeting (AGM) :

The e-voting period begins on 08.09.2017 from 9.00 A.M. and ends on 10.09.2017 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date

NOTICE (Contd.)

of 04.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach "The Scrutinizer at 3A, Ripon Street, Kolkata - 700 016, not later than 10.09.2017 (5.00 P.M.) (i.e. closing date of E-Voting). Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through E-Voting shall prevail and Ballot Form shall be treated as invalid.

The Instructions for E-Voting are as under :

- a. Log on to the e-voting website : www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "ELLENBARRIE INDUSTRIAL GASES LIMITED" from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL : 16 digits beneficiary ID,
 - ii. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. 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.
- g. However, if you are a first time user, please use the E-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes :
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly 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.
- j. 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.



NOTICE (Contd.)

- k. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN "ELLENBARRIE INDUSTRIAL GASES LIMITED" for which you choose to vote.
- m. 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.
- n. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- s. **For Non – Individual Shareholders and Custodians :**
 - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://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 e-mailed 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.
- ii. 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.

NOTICE (Contd.)

- III. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 4th August, 2017 may contact the Registrar and Share Transfer agent for Login ID and other e-voting related details.
- V. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of 4th August, 2017.
- VI. Mr. Sachin Kumar, Practicing Company Secretary, (Membership No. 37957) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall within a period not exceeding TWO(2) days from the conclusion of AGM 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.
- IX. The Results shall be declared after conclusion of the Annual General Meeting (AGM) of the Company.
- X. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ellenbarrie.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai / The Calcutta Stock Exchange Association Limited.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 11th August, 2017

By Order of the Board
For Ellenbarrie Industrial Gases Limited
PADAM KUMAR AGARWALA
Managing Director
(DIN : 00187727)

**Details of Director(s), seeking appointment / re-appointment, as required under Regulation 36(3) of SEBI Listing Regulations :**

Name of the Director	Shanti Prasad Agarwala	Padam Kumar Agarwala	Aastha Shah	Hideo Tsutsumi
DIN No.	00187729	00187727	07771294	07828529
Date of Birth	07.08.1942	14.11.1960	18.04.1993	08.01.1957
Date of Appointment	01.01.2001	31.10.2001	24.03.2017	29.05.2017
Detail about the Director	Shanti Prasad Agarwala a seasoned entrepreneur with a multitude of experience in the Indian Industries, Mr. Agarwala had conceived the Company Ellenbarrie Industrial Gases Ltd. in the year 1973. He had since then expanded the Company and enabled it to make its mark in the national forum. Apart from Ellenbarrie Industrial Gases Ltd., Mr. Agarwala is engaged in the business of tea and galvanized iron sheets.	Padam Agarwala has been associated with this Company right from its inception. Has built the blocks of the Company and has in-depth knowledge on the nuances of the industry. His dexterity and competence lies in the trust that Ellenbarrie has created in minds of both stakeholders and customers. It is with Mr. Agarwala's initiative that Ellenbarrie today has set its foot in the international arena to compete with other international gas players.	Ms. Aastha Shah has done her LLB and is an independent lawyer in practice.	Mr. Tsutsumi is a director in the Corporate planning division and heads the medical division of AWI, Japan as President.
Nature of Expertise	Tea and galvanized iron sheets	Gas business and medical business	Civil Law Matters	Medical Business
Disclosure of Inter-se relationship between director and Key Managerial personnel	Mr. Shanti Prasad Agarwala is father of Mr. Padam Kumar Agarwala and grand father of Mr. Varun Agarwal	Mr. Padam Kumar Agarwala is father of Mr. Varun Agarwal and son of Mr. Shanti Prasad Agarwala	NIL	NIL
Directorships held in other companies (Listed)	NIL	NIL	NIL	NIL
Member/Chairman in public companies	NIL	NIL	NIL	NIL
No. of shares held in the company	497541 Equity Shares	497541 Equity Shares	NIL	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY.**ITEM NO. 5**

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms. Aastha Shah, being eligible, offer herself for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Ms. Aastha Shah as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 24th March, 2017.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for her appointment, are concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 5 for approval of the Members.

ITEM NO. 6

Mr. Hideo Tsutsumi, Additional Director of the Company was appointed on the Board with effect from 29th May, 2017 pursuant to Section 260 of the Companies Act, 1956. His term of office expires at the commencement of this 43rd Annual General Meeting. A notice of candidature for his appointment as Directors on the Board of the Company has been received by the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than the Directors for his appointment, is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Ordinary Resolution as set out at item no. 6 for approval of the Members.

ITEM NO. 7

As per Article 7.2 of Part B of Article of Association of the Company the Board shall recommend the appointment of Internal Auditor of the company and the same shall be placed before the shareholders for their approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution as set out at item no. 7 for approval of the Members.



ITEM NO. 8

The Cost Auditors remuneration needs to be ratified by the shareholders, hence the resolution is proposed for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution as set out at item no. 8 for approval of the Members.

ITEM NO. 9

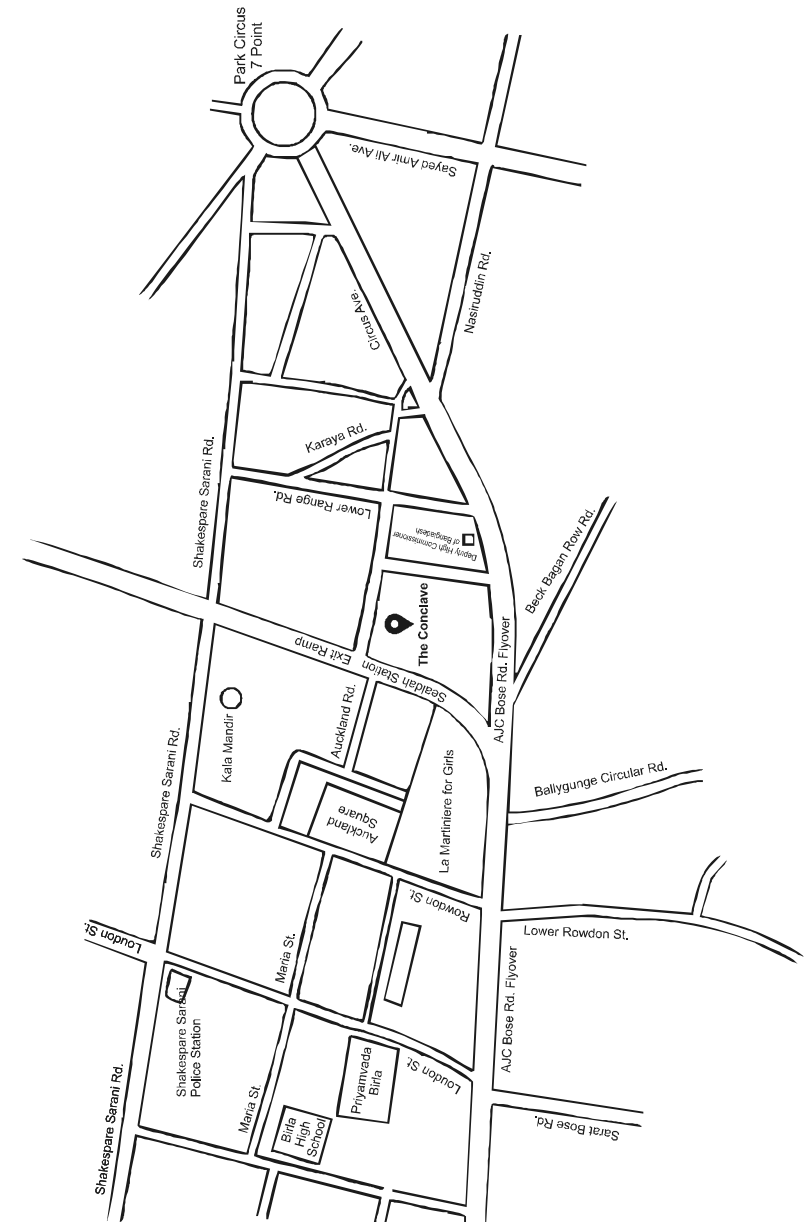
Members of the Company are requested to note that Section 188 of the Companies Act, 2013 read with the relevant rules made thereunder requires any transaction entered into between related parties be approved by the members of the Company. The transactions are at arm length's basis but could be construed as being outside the ordinary course of business, the approval of the members under section 188 of the Companies Act, 2013 is being sought by way of Special resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these Resolutions except Air Water Directors. The Board recommends the Ordinary Resolution as set out at item no. 9 for approval of the Members.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 11th August, 2017

By Order of the Board
For Ellenbarrie Industrial Gases Limited
PADAM KUMAR AGARWALA
Managing Director
(DIN : 00187727)

ROUTE MAP :



**BOARD'S REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 43rd Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2017.

FINANCIAL RESULTS

Highlights of the financial results of the Company for the year ended 31st March, 2017 are as under :

All financial figures in Rs. 000's (KINR)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sales & Other Revenues from operations	10,37,647	959,878
Other Non Operational Income	15,877	10,543
Earnings before Interest, Depreciation & Tax (EBITDA)	1,63,289	76,609
Profit / (Loss) for the year after tax	7,381	(133,166)
Earnings Per Share of Rs. 10/- each	1.13	(20.34)

REVIEW OF OPERATION AND STATE OF COMPANY AFFAIRS

"During the financial year 2016-17 sales of manufactured goods (net of excise) registered an increase of 18% over previous year. Hyderabad Air Separation Plant which was commenced operation in January, 2015 and other plants have returned increasing performances. As a result, EBITDA improved by 113% from 76,609 to 163,289. Finance cost reduced by 32% mainly because of preference share capital proceeds brought in during previous year. Eventually, your company returned to profitability with a report a net profit of KINR 7,381.

MATERIAL CHANGES & COMMITMENT

Your directors confirm that there are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company and the date of this report.

DIVIDEND

In view of insufficient accumulated profits as at March 31, 2017, the Board has not proposed any dividend to the preference shareholders for the year ending March 31, 2017 or to the equity shareholders. Shortfall in declaration of dividend to preference shareholders is reported as contingent liability as part of note 31 to the financial statement.

TRANSFER TO RESERVES

The Board proposes to transfer a sum of KINR 7,381 to the Preference Share Redemption Reserves account in compliance with Section 55(2)(c).

BOARD'S REPORT (Contd.)**SHARE CAPITAL**

The paid up equity capital as on March 31, 2017 was Rs. 6,54,67,800/- and preference capital is Rs. 10,50,00,000/-. During the year under review, the Company has not issued any shares of the Company.

EMPLOYEE STOCK OPTION SCHEME

The company has not issued shares with differential voting rights nor granted stock options nor sweat equity nor bonus shares during the year.

FINANCE

During the financial year total long term debt decreased by 179,407 KINR which included decrease by 11,532 because of exchange variation. The company borrowed a sum of KINR 503 while retiring a total of KINR 1,68,378 long term debts. Total long term debts at the end of the year stood at KINR 1,129,133

Cash and cash equivalents as at March 31, 2017 were KINR 29,686.

DEPOSITS

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, no details to report pursuant to Rules 8(5)(v) and 8(5)(vi) of the Companies Accounts Rules, 2014.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. A report on Corporate Governance and Management Discussion confirming compliance with the requirements of the Corporate Governance are annexed as part of this Report.

CONSOLIDATION OF FINANCIAL STATEMENTS

Your company does not have any subsidiary company or associate companies. Pursuant to section 129(3) and other applicable provisions of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended and the Accounting Standards issued by the Institute of Chartered Accountants of India including amendments made thereto, the Company is not required to prepare consolidated financial statements for the financial year 2016-17.

REVISION IN FINANCIAL STATEMENTS

There has been no revision in the financial statements of the company during the financial year 2016-17.



BOARD'S REPORT (Contd.)

SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary company or associate companies. Further it is reported that pursuant to rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 that no company has become an associate of the company during the financial year 2016-17. Further, no company has ceased to be an associate company of the company during the financial year 2016-17.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function has been entrusted to an internal auditor duly appointed by the Board with the recommendation of the Audit committee. The Internal Auditor reports to the Chairman of the Audit Committee and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

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

Particulars relating to Conservation of Energy, Technology absorption and foreign exchange earnings as required by the Companies (Accounts) Rules, 2014 is given in the prescribed form in Annexure "A" to the Report.

BOARD OF DIRECTORS AND KMP

The Board of the Company has 9 directors comprising of 4 Whole Time Directors, 3 Independent Directors and 2 Non-Executive Directors. During the year, Mrs. Anindita Guhamallick, Independent Director of the Company resigned from the Board on 4th October, 2016 due to personal reasons. The resignation of Mrs. Anindita Guhamallick was noted in the Board Meeting held on 7th November, 2016. The Board has appointed Ms. Aastha Shah in place of the vacancy created on account of Mrs. Anindita Guhamallick's resignation. Mr. Manas Kumar Dutta and Mr. Swapan Kumar Bhowmik continue as Independent Director in the Company. All the independent directors have given declarations that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013.

The Board of Directors wish to place on record their deep sense of appreciation for the invaluable contributions of Mrs. Anindita Guhamallick towards growth and prosperity of the Company.

Information relating to the Directors are provided in Corporate Governance Report.

No commission is paid to Managing Director or Whole Time Director.

BOARD'S REPORT (Contd.)

Re-appointment of Director

Mr. Shanti Prasad Agarwala, Executive Director and Mr. Padam Kumar Agarwala, Managing Director retire by rotation and being eligible, offer themselves for the re-appointment. None of the directors are related or interested in the appointment except as directors themselves. Ms. Aastha Shah and Mr. Hideo Tsutsumi's directorship shall be regularised at this ensuing Annual General Meeting.

The Board recommends the appointment of above mentioned directors with a view to avail their valuable advices and wise counsel.

Appointment of Key Managerial Personnel

The Board at the meeting held on 24th May, 2016, on recommendation of Nomination & Remuneration Committee, appointed Mr. Padam Kumar Agarwala as Managing Director and Mr. Norio Shibuya as Jt. Managing Director. Necessary resolution were proposed at the 42nd Annual General Meeting held on 3rd August, 2016.

Independent Directors

Mr. Manas Kumar Dutta, Mr. Swapan Kumar Bhowmik continue to be Independent Directors on the Board of the Company. Pursuant to Section 149(7) of the Act, all the independent directors have given declarations for the F.Y. 2016-17 that they meet the criteria of independence as laid down under section 149(6) of the Act. Ms. Aastha Shah joined our board on 24th March, 2017 as an Independent Director.

Training and familiarization programme for directors

The Board members are provided with necessary documentations/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedure and practices. The company has adopted familiarisation programme for independent directors with an aim to provide to the independent directors insight in their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. Details of their training programmes is mentioned in the website www.ellenbarrie.com.

Policy on director's appointment and remuneration

The Nomination & Remuneration Committee of the company is governed by a terms of reference. The company's nomination and remuneration policy includes director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details.

Annual Evaluation by the Board of its own performance and that of its committee and individual directors

The Board has comprehensive system for making a formal evaluation of the performance of the Board, committee of the Board and Individual directors. The Board has fixed parameters



BOARD'S REPORT (Contd.)

against which performance of the directors is to be measured and those parameters are conveyed to directors in advance. Periodically the Board reviews the parameters and assess the performance of the directors against such parameter. There also exists a feedback system so that directors can become aware of the evaluation of their performance and improve their skill and knowledge.

Committees of directors and key managerial persons

The details of the committee of directors and key managerial persons pursuant to companies Act, 2015 and listing obligations and disclosure requirements are described in the corporate governance report.

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are as furnished in Annexure "B".

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that :

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) 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 at the end of the financial year 31st March, 2017 and of the profit or loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) 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.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the company has constituted a risk management committee to identify and monitor both internal and external risk which might have bearing on the performance of the company. The details of the Committee and its terms of reference are set out in the corporate governance report forming part of the Boards report. To identify both internal and external risk, the assets of the company are adequately insured against loss of fire, riot, earthquakes, terrorism etc.

BOARD'S REPORT (Contd.)

MEETING OF THE BOARDS

During the year under review, five meetings of the Board of Directors were held. The details of the meetings are provided in the Corporate Governance report.

AUDIT COMMITTEE

The details pertaining to the composition of the Audit committee required to be given pursuant to Section 177(8) of the Companies Act, 2013 are given in the corporate governance report. There are no instances of the Board not accepting the recommendation of the Audit committee during the financial year 2016-17.

RELATED PARTY TRANSACTIONS

Pursuant to Section 134(3)(h) read with rule 8(2) of the Companies (Accounts) Rules, 2014 particulars of contracts or arrangement with related parties as referred to in Section 188(1) read with rule 8(2) of the corresponding rules are furnished in prescribed format as per Annexure "C".

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 is not applicable to the Company as the Company does not hit any of the criteria mentioned in the section.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.ellenbarrie.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.



BOARD'S REPORT (Contd.)

The Company has Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The policy is posted on the website of the company at www.ellenbarrie.com

INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the code.

STATUTORY AUDITORS

Mr. Abhishek Kumar, Chartered Accountant, Statutory Auditors of the Company hold office up to the ensuing Annual General Meeting and also recommended for appointed for the FY 2017-18.

With respect to Auditors qualification of their report to the shareholders, the management offers the following observations and the opinion :

1. Regarding non-compliance of AS-22 requirement: That considering the existing carry forward losses under the Income Tax Act there would be no foreseeable tax liability in the foreseeable future and hence, the need for considering deferred tax liability shall not arise.
2. Regarding non-compliance of AS-15 : Even though the company had initiated an investment fund for gratuity, it failed to contribute to the fund during past few years owing to financial constraints, which shall be regularised in due course. However, the company has made sufficient provision for gratuity liability based on the report of an independent actuarial valuer and believes that it is in compliance of the requirements of AS-15.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Anjan Kumar Bandopadhyay, Practising Company Secretary to undertake Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as Annexure "D". Referring to the observations made in the Secretarial Audit Report, the Board clarifies as under :

BOARD'S REPORT (Contd.)

- 1) Audit Observation : "The quorum for the audit committee was not present.

Board Clarification : Mrs. Anindita Guhamallick resigned from the Board on 4th October, 2016 and so the audit committee had one Independent director and one non-executive director after Mrs. Guhamallick's resignation. Hence, quorum could not be complied for the next two audit committee meetings. The same was taken care when Ms. Aastha Shah was inducted on the Board and subsequently inducted in the Audit Committee.

COST AUDITOR

The Board at its meeting held on 29th May, 2017 has appointed M/s. Datta, Ghosh, Bhattacharya & Associate as cost auditors for carrying out audit of cost accounting records of the company for the financial year ending 31st March, 2018. The ratification of the members is necessary for the payment of remuneration to cost auditors. Your directors recommend the same.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure "E".

PARTICULARS OF EMPLOYEES

Details pursuant to Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement relating thereto is given in Annexure "F".

HUMAN RESOURCE MANAGEMENT

The Human Resource (HR) department at EIGL helps the employee to realize their potential – to develop, grow and achieve their purpose. We also help to build the right culture and capabilities to enable us to delight our customers and try to make EIGL the best place to work for passionate, innovative people who want to make a difference. We look at the employee's entire work life cycle to ensure timely interventions that help build a long-lasting and fruitful career at Ellenbarrie.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF authority established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirement of IEPF rules.



BOARD'S REPORT (Contd.)

SIGNIFICANT & MATERIAL ORDER

During the year 2016-17, there was no significant or material order passed by any Regulators, Courts or Tribunals impacting the going concern status or future operations of the Company.

POLICY ON PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule, 2013, and Internal Complaint Committee (ICC) with requisite number of representative has been set up to redress complaints of sexual harassment, if any. The following is a summary of sexual harassment complaints received and disposed off during the year ended 31st March, 2017 :

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

TRADE RELATIONS

The Board desires to place on record its appreciation for the support and co-operation that the Company has received from suppliers, brokers, customers and others associated with the Company as its enterprise partners. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavour to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

APPRECIATION & ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, solidarity, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, joint venture partners, investors and bankers for their continued support and faith reposed in the Company.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

Your Directors take this opportunity to thank all investors, customers, vendors, bankers, regulatory and government authorities and stock exchanges, for their continued support and faith reposed in the Company.

For and on behalf of the Board
PADAM KUMAR AGARWALA
Managing Director
(DIN : 00187727)

NORIO SHIBUYA
Joint Managing Director
(DIN : 07099850)

3A, Ripon Street
Kolkata - 700 016
Dated : 11th August, 2017

ANNEXURE - A

PARTICULARS REQUIRED UNDER THE COMPANIES (Accounts) RULES, 2014 :

A. Conservation of Energy

- i. Steps taken or impact of conservation of Energy :
Steps have been taken towards improvement of power factor and load factor with a view to achieve optimum power efficiency.
- ii. Steps taken for utilizing alternate sources of energy :
Power is being procured from wind power generators for operation of plant.
- iii. Capital investment on energy conservation equipment :
Nil during the year

B. Technology Absorption

- i. Efforts made towards technology absorption :
Air Separation Plants are imported from outside India. However, the local contents are maximized to the extent possible. Employees are trained in maintaining and upkeep of the plant.
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution :
 - cost reduction from lower dependence on technology suppliers.
 - Import substitution from utilization of indigenous spares
- iii. In case of imported technology (imported during last three financial years) :
 - a. Details of technology imported : air separation plant for producing air gases
 - b. The year of import : 2013-14 and 2014-15
 - c. Whether technology fully absorbed : yes
 - d. If not fully absorbed, areas where absorption hasn't taken place, and the reasons thereof : N.A.
- iv. the expenditure incurred on Research and Development : Nil

C. Foreign Exchange Earnings & Outgo

- Foreign exchange earned during the year : KINR 67,642
- Foreign exchange outgo during the year : KINR 194,175



ANNEXURE - B

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

	Requirements	Disclosure	
		Name of the Director	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Shanti Prasad Agarwala Mr. Norio Shibuya Mr. Padam Kumar Agarwala Mr. Varun Agarwal	9.6:1 9.6:1 9.6:1 9.6:1
2.		For this purpose, sitting fees paid to the Directors and have not been considered as remuneration	
3.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Shanti Prasad Agarwala Mr. Norio Shibuya Mr. Padam Kumar Agarwala Mr. Varun Agarwal Mr. K. Srinivas Prasad Mrs. Priyanka Jaiswal	No Increase No Increase No Increase No Increase 8.1% 9.0%
4.	The percentage increase in the median remuneration of employees in the financial year	9.7%	
5.	The number of permanent employees on the rolls of company	137 (including whole time & managing director)	
6.	The explanation on the relationship between average increase in remuneration and company performance :	Factors considered while recommending increase in fixed compensation : 1. Financial performance of the Company. 2. Comparison with peer companies. 3. Industry Benchmarking 4. Contribution made by the employee. 5. Regulatory guidelines as applicable to Managerial Personnel : The Company had revenue growth of 8.1% over previous year and also returned a 113% increase in EBI TDA; against this the average increase in remuneration is 6.6% for all company and 1.5% for KMPs.	
7.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :	For the FY 2016-17, the remuneration paid to KMPs aggregate to 1.7% of the Gross Revenue.	

8.	Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and 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 in case of listed companies	The Market capitalization of the Company is KINR N.A as on March 31, 2017 as against KINR 2,041,941 as on March 31, 2016. No Price Earnings Ratio is reported as there has been no trading in the stock over BSE in the past few months.			
9.	Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 8.8 % for employees other than KMP and 1.5 % for KMP.			
10.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Name	Remuneration FY 16-17	% of Gross Revenue	% of Net Profit
		Mr. S. P. Agarwala	3600	0.34%	49%
		Mr. P. K. Agarwala	3600	0.34%	49%
		Mr. Varun Agarwal	3600	0.34%	49%
		Mr. Norio Shibuya	3600	0.34%	49%
		Mr. K. S. Prasad	2140	0.20%	29%
		Mrs. P. Jaiswal	546	0.05%	7%
		Note : The company has achieved moderate profit during the year after a gap of 3 years			
11.	The key parameters for any variable component of remuneration availed by the directors	Variable Pay is not part of agreements of any KMP.			
12.	The 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	Not Applicable			
13.	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes			

General Note :

1. Calculation of Market Capitalization, price to earnings and other details are based on stock price on National Stock Exchange of India Limited on relevant dates.
2. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013
3. Key Managerial Personnel (KMP) includes Managing Director / whole time Director / Executive Director.

**ANNEXURE - C****DETAILS OF RELATED PARTY TRANSACTIONS IN FORM AOC - 2**

Sl. No.	Name of the Related Party and Nature of Relationship	Nature of Contract or Arrangement	Duration of the Contract of arrangement	Salient Terms & Conditions	Date of approval by the Board	Amount paid as advance, if any	Date of Special Resolution passed
1.	Superior Tea & Allied Industries Pvt. Ltd.	Office Rent Agreement	5 Years	Monthly rental of Rs. 12,000/- from an area of 578 sq.ft. at 3A, Ripon Street, 2nd Floor, Kolkata -16	12.08.15	Rs. 2.25 lakhs as interest free security deposit.	18.09.15
2.	Gunjan Suppliers Pvt. Ltd.	Office Rent Agreement	5 Years	Monthly rental of Rs. 3,000/- from an area of 833 sq.ft. at 3A, Ripon Street, 4th Floor, Kolkata -16	12.08.15	Rs. 24.61 lakhs as interest free security deposit.	18.09.15
3.	Ellenbarrie Cryogenics Limited	Fixed Asset Hire Charges	3 Years	Rs. 20 lakhs p.a for assets taken on hire from the company	12.08.15	—	18.09.15
4.	Air Water Inc.	Corporate Guarantee / Standby Letter of Credit provided by the holding company in respect of loans borrowed by EIGL	1 Year	No commission on Corporate Guarantee, Reimbursement of bank's commission on SBLC	29.05.17	No Guarantee commission is proposed to be paid to the holding company	—
5.	Kobelco Air Water Cryoplant Ltd.	Supply of Plant and Machinery and equipment for revamping of Vizag Air Separation Unit	2 Years	Supply of all equipment with test parameters & performance guarantee, Contract Price JPY 243.5 million	29.05.17	—	Will be taken up at AGM to be held on 11th September, 2017.
6.	Air Water India Pvt. Ltd.	Supply of Hardner for Tunnel Freezer	1 Year	Supply Price INR 5,123,163	29.05.17	—	Will be taken up at AGM to be held on 11th September, 2017.
7.	Air Water India Pvt. Ltd.	Consulting and advisory	—	5% Commission on sales prospects arranged by AWIPL	29.05.17	—	Will be taken up at AGM to be held on 11th September, 2017.

ANNEXURE - 'D'**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

To,
The Members,
ELLENBARRIE INDUSTRIAL GASES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELLENBARRIE INDUSTRIAL GASES 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 my verification of the 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 31st March, 2017 generally complied With the statutory provisions listed hereunder and also that the Company has proper Board-processes and 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 31st March, 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent 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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing. of Debt Securities) Regulations, 2008;
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) Securities and Exchange Board of India (Listing Obligation and disclosure requirements) Regulations, 2015.
- (vi) I have examined on test check basis compliance with following Acts and Rules which are specifically applicable to the company.
- (a) The petroleum Act, 1934.
 - (b) Explosives Act, 1884.
 - (c) Gas cylinder Rules 2014.
 - (d) Static and mobile pressure vessel unfired Rules 1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations :

The quorum for the audit committee meetings held on 7th November, 2016 and 13th February, 2017 was not present in terms of Regulations 18(2)(b) of Securities and Exchange Board of India (listing obligations and disclosure requirement) Regulations, 2015.

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 period 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 notes on agenda generally were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolution is generally passed through majority votes and, as per minutes, no member expressed dissenting views.

During the period under review, there were no incidents falling under the purview of regulations as mentioned above in Serial No.(c) (d) (e) (g) (h) under item no.V of para three.

I further, report that there are adequate systems and process 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 there was no specific event/action having a major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standard etc.

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 15th day of May, 2017

ANJAN KUMAR BANDYOPADHYAY
Practising Company Secretary
Membership No. 4276
Certificate Practice No. 7147



ANNEXURE - 'A' TO MR-3

The report is to be read with our letter of even date which is annexed as Annexure-A and form an integral part of this report.

To
The Members
ELLENBARRIE INDUSTRIAL GASES LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
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.

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 15th day of May, 2017

ANJAN KUMAR BANDYOPADHYAY
Practising Company Secretary
Membership No. 4276
Certificate Practice No. 7147

ANNEXURE - 'E' TO THE DIRECTORS' REPORT

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2017

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1.	CIN	L24112WB1973PLC029102
2.	Registration Date	23-11-1973
3.	Name of the Company	ELLENBARRIE INDUSTRIAL GASES LIMITED
4.	Category / Sub-Category of the Company	Public Company Limited by Share
5.	Address of the Registered Office & contact details	3A, Ripon Street, Kolkata - 700 016 Phone : 033 2229 2441 Fax : 033 2249 3396
6.	Whether listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	ABS Consultant Private Limited Stephen House, 99, 6th Floor 4, B.B.D. Bagh, Kolkata - 700 001 Phone : 033 2230 1043

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)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Oxygen	20111	37%
2.	Nitrogen	20111	43%



Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Air Water Inc., Japan		Holding Company	51	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2016)				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	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
b) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) State Govt.(s)	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) Bodies Corp.	—	—	—	0.00%	—	—	—	0.00%	0.00%
e) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (1)	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
(2) Foreign									
a) NRI Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Other Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Bodies Corp.	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
d) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (2)	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
Total (A)	49,06,315	—	49,06,315	74.94%	49,06,315	—	49,06,315	74.94%	0.00%
(B) Public									
(1) Institutions									
a) Mutual Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) State Govt.(s)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2016)				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	
e) Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Insurance	—	—	—	0.00%	—	—	—	0.00%	0.00%
g) FIs	—	—	—	0.00%	—	—	—	0.00%	0.00%
h) Foreign Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
i) Others (specify)	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (1)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,267,622	900	12,68,522	19.38%	12,68,602	900	12,69,502	19.38%	(0.04%)
ii) Overseas	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,1920	1,1307	23,227	0.35%	17,708	11,307	29,015	0.44%	0.10%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,07,756	—	3,07,756	4.70%	3,00,988	—	3,00,988	4.70%	(2.20%)
c) Others (specify)									
Non Resident Indians	460	—	460	0.01%	460	—	460	0.01%	0.00%
Overseas Corporate Bodies	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Nationals	—	—	—	0.00%	—	—	—	0.00%	0.00%
Clearing Members	—	—	—	0.00%	—	—	—	0.00%	0.00%
Trusts	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Bodies - DR	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (2)	15,87,758	12,207	15,99,965	24.44%	15,87,758	12,207	15,99,965	24.44%	0.00%
Total Public (B)	15,87,758	52,707	16,40,465	25.06%	15,87,758	52,707	16,40,465	25.06%	0.00%
C. Shares held by Custodian for GDRs & ADRs	—	—	—	0.00%	—	—	—	0.00%	0.00%
Grand Total	64,94,073	52,707	65,46,780	100.00%	64,94,073	52,707	65,46,780	100.00%	0.00%



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)**

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	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 Shares	% of total Shares of the Company	% of shares pledged / encumbered to total shares	
1.	Padam Kumar Agarwala	4,97,541	7.60%	—	4,97,541	7.60%	—	0.00%
2.	Shanti Prasad Agarwala	4,97,541	7.60%	—	4,97,541	7.60%	—	0.00%
3.	Varun Agarwal	5,72,375	8.74%	—	5,72,375	8.74%	—	0.00%
4.	Air Water Inc.	33,38,858	51.00%	—	33,38,858	51.00%	—	0.00%

iii) Change in Promoters' Shareholding (No changes during the year)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			N.A.	0.00%	N.A.	0.00%
	Changes during the year			N.A.	0.00%	N.A.	0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year			N.A.	0.00%	N.A.	0.00%

**iv) Shareholding Pattern of top ten Shareholders (Given Separately)
(Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)**

**iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2.	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	Padam Kumar Agarwala At the beginning of the year Changes during the year At the end of the year			4,97,541 — —	7.60% 0.00% 0.00%	— — 4,97,541	0.00% 0.00% 7.60%
2.	Shanti Prasad Agarwala At the beginning of the year Changes during the year At the end of the year			4,97,541 — —	7.60% 0.00% 0.00%	— — 4,97,541	0.00% 0.00% 7.60%
3.	Varun Agarwal At the beginning of the year Changes during the year At the end of the year			5,72,375 — —	8.74% 0.00% 0.00%	— — 5,72,375	0.00% 0.00% 8.74%
4.	K. Srinivas Prasad At the beginning of the year Changes during the year At the end of the year			— — —	0.00% 0.00% 0.00%	— — —	0.00% 0.00% 0.00%
5.	Priyanka Jaiswal At the beginning of the year Changes during the year At the end of the year			— — —	0.00% 0.00% 0.00%	— — —	0.00% 0.00% 0.00%



Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment. (Rs. / lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,742.41	2,089.30	—	17,831.71
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	15,742.41	2,089.30	—	17,831.71
Change in Indebtedness during the financial year				
* Addition	2,656.90			2,656.90
* Reduction	(1,794.06)	(905.50)		(2,699.56)
Net Change	862.84	(905.50)	—	(42.66)
Indebtedness at the end of the financial year				
i) Principal Amount	16,605.25	1,183.80		17,789.05
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	16,605.25	1,183.80	—	17,789.05

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount (Rs.)
		Shanti Prasad Agarwala	Padam Kumar Agarwala	Varun Agarwal	Norio Shibuya	
	Designation	WTD	MD	EXEC.DIR.	JMD	
1.	Gross Salary	36,00,000	36,00,000	36,00,000	36,00,000	1,44,00,000
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—	—
	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	—	—	—	—	—

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount (Rs.)
		Shanti Prasad Agarwala	Padam Kumar Agarwala	Varun Agarwal	Norio Shibuya	
	Designation	WTD	MD	EXEC.DIR.	JMD	
	Commission	—	—	—	—	—
4.	- as % of profit	—	—	—	—	—
	- others, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	36,00,000	36,00,000	36,00,000	36,00,000	1,44,00,000
	Ceiling as per the Act					

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Manas Kr. Dutta	Swapan Kr. Bhowmik	Anindita Guhamallick	Aastha Shah	
1.	Independent Directors					
	Fee for attending board committee	1,00,000.00	80,000.00	—	20,000.00	2,00,000.00
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	1,00,000.00	80,000.00	—	20,000.00	2,00,000.00
2.	Other Non-Executive Directors					
	Fee for attending board committee	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B) = (1+2)	1,00,000.00	80,000.00	—	20,000.00	2,00,000.00
	Total Managerial Remuneration					1,46,00,000
	Overall Ceiling as per the Act					



Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
			K. Srinivas Prasad	Priyanka Jaiswal	
	Name				
	Designation	CEO	CFO	CS	
1.	Gross Salary	—	21,40,400	5,45,600	26,86,000
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—
	b) Value of perquisites u/s 17(2)	—	—	—	—
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
	Commission	—	—	—	—
4.	- as % of profit	—	—	—	—
	- others, specify	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total	—	21,40,400	5,45,600	26,86,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL

A - 1

Sl. No.	Name of the Shareholder	As on 31.03.2016		As on 31.03.2017	
		No. of Shares	% of the Shareholding	No. of Shares	% of the Shareholding
1.	Heaven Commercial Pvt. Ltd.	1028068	15.7	1028068	15.7
2.	Popular Vanijya Pvt. Ltd.	239102	3.64	239102	3.64
3.	Sarika Banka	59373	0.9	55674	0.85
4.	Anjali Agarwal	59709	0.91	57709	0.88
5.	Mahendra Kumar Saraogi	54000	0.82	54000	0.82
6.	Sunita Saraogi	53952	0.82	53452	0.82
7.	Governor of West Bengal	40500	0.62	40500	0.62
8.	Pushpalata Saraogi	40500	0.62	40500	0.62
9.	Kusumlata Saraogi	40222	0.61	39653	0.6
10.	Pankaj Kumar Roy	1800	0.03	1800	0.03
11.	Basant Kumar Daga	1800	0.03	1800	0.03

A - 2

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			
		Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	Norio Shibuya
	Name				
	Designation	MD	WTD	EXEC. DIR.	JMD
1.	Gross Salary	36,00,000	36,00,000	36,00,000	36,00,000
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—
	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	—	—	—	—
	- as % of profit	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total (A) (Rs.)	36,00,000	36,00,000	36,00,000	36,00,000



ANNEXURE - 'F' PARTICULARS OF EMPLOYEES

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Experience (In years)	Date of commencement of Employment	Gross Remuneration (In lakhs)	Last employment held by such employee	% of equity shares held by the employee	Whether employee is relative of any director, if yes, give name of such director
1.	Shanti Prasad Agarwala	Whole Time Director	B.Com	75	52	01.01.2001	36	-	7.6	Padam Kumar Agarwala; Varun Agarwal
2.	Padam Kr. Agarwala	Managing Director	B.Com (Hons)	57	31	31.10.2001	36	-	7.6	Shanti Prasad Agarwala; Varun Agarwal
3.	Varun Agarwal	Executive Director	B.Sc (Economics); M.Phil in Economics from Cambridge University	33	11	14.08.2008	36	-	8.74	Shanti Prasad Agarwala; Padam Kumar Agarwala
4.	Norio Shibuya	Joint Managing Director	Bachelor of Commerce	57	33	01.04.2015	36	-	NIL	NIL
5.	K. Srinivas Prasad	CFO	CA, B.Com (Hons)	49	24	17.12.2013	21.40	AIRLIQUIDE India	NIL	NIL
6.	Priyanka Jaiswal	CS	CS, B.Com (Hons)	27	5	24.03.2014	5.45	MKB & Associates	NIL	NIL

The Board of Directors
ELLENBARRIE INDUSTRIAL GASES LTD.

MD / CFO Certification

- (a) We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
- These statements do not contain any materially unfair statement or any material fact or statements that might be misleading.
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of the Internal Control Systems of the Company and have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
- Significant changes in internal control during the year, if any.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any.
 - There are no instances of significant fraud of which we have become aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal control system, if any.

3A, Ripon Street
Kolkata - 700 016

Dated : 11th August, 2017

PADAM KUMAR AGARWALA
Managing Director

DIN : 00187727

K. SRINIVAS PRASAD
Chief Financial Officer

CA Mem. No. 055927



ANNEXURE - 'B' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Ellenbarrie Industrial Gases Ltd.(EIGL) presents its analysis covering performance and forward looking statements based on certain assumptions and expectations of future event with a view to convey the management's perspective on the financial condition and operating performance at the end of the financial year 2016-17 :

A. PERFORMANCE RELATED

Cautionary statement: The forward-looking statements in this section regarding estimates of business performance and predictions of future developments reflect Management's judgments based on currently available information, but also involve potential risks and uncertainties. Actual business performance could be significantly different.

I. Industry Structure and Developments :

Industrial Gas business caters to the need of industrial gas needs of diverse industry segments such as steel & metallurgy, pharmaceutical sectors, hospitals and healthcare sector, oil and gas and petrochemical industries. Industrial Gas are distributed either in liquefied form in cryogenic transport tankers or in high pressure gas cylinders to meet the different volume requirements of customers. The major industrial gas products being Oxygen, Nitrogen and Argon are sourced from Air Separation Plants using distillation process.

II. Opportunities and Threats :

Progress of Industrial Gas business is closely linked to the dynamism of the industrial sector. The Government initiatives such as Make in India and roll out of GST and focus areas such as affordable housing and infrastructure development are likely to boost demand for industrial gases. At the same time the industrial gas business is exposed to threats from overcapacity, especially oversupply threats from large captive plants.

III. Segment-wise and Product-wise performance :

The major segment, viz. Industrial Gas Business recorded a healthy 18% grown in its manufacturing sales over previous year. The primary reason being the higher loading of the Hyderabad plant which was commissioned during FY 2014-15 has seen gradual loading.

Your company has gradually reduced its dependence on trading in Steel Sheets segment. Performance of this segment, accordingly, is not material enough.

IV. Outlook :

Ellenbarrie shall continue to focus on enhancing its performance through cost management improvement of its production resources in order to optimally meet requirements of its existing & potential customers. The Company expects to further consolidate its market presence and financial position during the next financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

V. Risks and Concerns :

Your company is exposed to following risk factors with possible mitigating strategies:

- Macroeconomic environment of India and industrial cycles such as regional demand supply imbalances, price swings and input cost variations. This can be addressed through timely re-adjustment of customer base, product profile and cost structure.
- Regulatory Environment : The Company is subject to several regulatory scrutinies in states it is present. The company has policies, systems and procedures in place to ensure compliances.
- Financing : Industrial gas business requires substantial investment being a capital intensive business; the company has raised borrowings in foreign currency which is subject to fluctuations. The company management has put in place a risk management policy to respond to volatility in foreign currencies. It is important to note that with Air Water Inc. being a majority shareholder has added to company's strength to address its funding needs.

VI. Internal Control System and their adequacy :

The Management recognises the importance of internal financial control as a tool to protect the resources of the company. Accordingly, the management have adopted different policies and procedures for ensuring efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. To achieve this, the management has a system of reviewing the existing processes to understand their adequacy, improving processes and controls wherever the risk perception is higher. Apart from engaging internal auditors for periodic reviews the management ensures adequate in-house resources for ensuring appropriate controls.

VII. Financial performance with respect to operational performance :

The Company recorded a turnaround of sorts by reporting a positive net profit of INR 7 Million compared to a Negative PBT of INR133 million in previous year. Salient points are analyzed and discussed as under :

a) Net Sales & Other Operating Income :

	FY 16-17 (Audited)	FY 15-16 (Audited)	GAP% Vs. FY 15-16
Income from Operations (Net of Excise Duty)	9,89,242	9,13,281	8.3%
Other Operating Income	48,405	46,597	3.9%
Total Income from operations (net)	10,37,647	9,59,878	8.1%

Sales volumes further recovered during the year amidst recovery of the steel sector customers during the year. While sales of industrial gases grew at a higher rate of 18%, sales of steel sheet were lower than previous year.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)****b) Expenses :**

	FY 16-17 (Audited)	FY 15-16 (Audited)	GAP% Vs. FY 15-16
Expenses			
a) Cost of material Consumed	73,486	46,941	56.5%
b) Purchase of traded goods	64,755	82,655	(21.7%)
c) Power	4,99,504	4,81,851	2.9%
d) Changes in inventories of finished goods & stock-in	43,091	45,370	—
e) Employee Benefits Expenses	77,597	82,779	(6.3%)
f) Depreciation	68,494	69,329	(1.2%)
Amortization of Exchange effect	1,585	1,718	(7.7%)
g) Other expenditure	1,14,339	1,41,955	(19.5%)
Total	9,42,851	9,52,598	(1.0%)

Tight control over costs and focus on cost optimisation helped reduce total costs despite recording overall growth in revenues.

c) EBITDA :

	FY 16-17 (Audited)	FY 15-16 (Audited)	GAP% Vs. FY 15-16
EBITDA	1,63,289	76,609	113.1%
EBITDA / Sales %	15.7%	8.0%	

Earnings before Interest, Tax and Depreciation improved sharply from 8.0% to 15.7% over sales underlying a total improvement in performance.

VIII. Human Resources / Industrial Relations Front :

The company employed 137 people directly at the end of the year which records a reduction of 14% over previous year end. Rationalization of the talent pool and focus on right sizing has contributed to optimum performance while maintaining healthy relationship and keeping employee morale high.

B. ACCOUNTING TREATMENT :

The financial statements for the year 2016-17 have been prepared based on the significant accounting policies as described in Note 21 of the financial statements. There has been no material change in the accounting policies during the year compared to the previous year.

REPORT ON CORPORATE GOVERNANCE**1. CORPORATE GOVERNANCE**

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paving way for its long-term success. In Ellenbarrie Industrial Gases Limited, Corporate Governance is defined as a systematic process by which companies are directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Our actions are governed by our values and principles, which are reinforced at all levels within the company. At Ellenbarrie we are committed to meet the aspirations of all our stakeholders which include shareholders, customers, suppliers, banks and financial institutions, government, employees and the community at large. We ensure :

- Transparency, fairness and timely disclosures;
- Fair and equitable treatment to all shareholders and protection of shareholder's interests and rights;
- Compliance with all applicable laws and regulations;
- Ethical business decisions to meet stakeholder expectations; and
- Accountability of the Board to the Company and its stakeholders.

Our governance practice are self-driven and focused to meet the aspirations of the stakeholders and at the same time create and institution which all stakeholders are proud to be associated with.

2. Board of Directors**Board composition and category of Directors**

The Board of Directors (the "Board") of the Company are committed to best governance practice in the company to ensure sustainability and long term value. The Board plays a major role in overseeing how the management serves the short term and long term interest of the shareholders and other stakeholders.

We believe that our board needs to have an appropriate mix of Executive and Independent Directors to maintain its independence and separate its function of governance and management. Listing regulation mandate that for a company with Non-Executive Chairman, at least one-third of the Board should be Independent Directors. As on March 31, 2017 our Board comprised of 9 directors out of which 3 directors are Independent Directors. The composition and category of the directors on the Board are as follows :

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Category	Name of the Director
Executive Director	Mr. Padam Kumar Agarwala, Managing Director
	Mr. Norio Shibuya, Jt. Managing Director
	Mr. Shanti Prasad Agarwala, Whole time Director
	Mr. Varun Agarwal, Executive Director
Non- Executive Director	Mr. Kensuke Yamamoto
	Mr. Ryosuke Matsubayshi
	Mr. Hideo Tsutsumi@
Independent Director	Mr. Manas Kumar Dutta
	Mr. Swapan Kumar Bhowmik
	Mrs. Anindita Guhamallick*
	Ms. Aastha Shah#

No Director is, inter se, related to any other Director on the Board, except Mr. Shanti Prasad Agarwala, Mr. Padam Kumar Agarwala and Mr. Varun Agarwal who are related to each other. Information of directors pursuant to SS-2 are provided in Annexure – A to the Corporate Governance report.

* Resigned with effect from 4th October, 2016

Inducted with effect from 24th March, 2017

@ Inducted w.e.f. 29th May, 2017

Details of the Board Meetings

Five Board meetings were held during the period 01.04.2016 to 31.03.2017. The Company has held at least one Board Meeting in every three months and the gap between such two meetings was not more than four months. The details of the Board meetings are as follows :

No.	Date of Board Meeting	Total Strength of the Board	No. of Directors present
1.	24th May, 2016	9	7
2.	3rd August, 2016	9	4
3.	7th November, 2016	8	7
4.	13th February, 2017	8	6
5.	24th March, 2017	9	6

Attendance at the last Annual General Meeting and the number of Directorships and Committee Chairmanship / Memberships in other Companies of each of the Directors as on the date of this report are below :

REPORT ON CORPORATE GOVERNANCE (Contd.)

Director	Board Meeting Attended	Attended last AGM held on 03.08.2016	No. of Directorship in other Companies ¹	No. of Membership in Committees of Directors in other Companies.
Mr. Shanti Prasad Agarwala	5	Yes	9	—
Mr. Padam kumar Agarwala	5	Yes	8	—
Mr. Varun Agarwal	3	Yes	5	—
Mr. Kensuke Yamamoto	1	Yes	—	—
Mr. Norio Shibuya	5	Yes	—	—
Mr. Ryosuke Matsubayashi	1	Yes	—	—
Mr. Manas Kumar Dutta	5	Yes	2	—
Mr. Swapan Kumar Bhowmik	4	No	1	—
Mrs. Anindita Guhamallick	0	No	3	—
Ms. Aastha Shah	1	NA	—	—

1. Excluding private limited companies, foreign companies and companies under section 8 of the companies act, 2013, trust and alternate directorships as per Regulation 26 of the SEBI(Listing Obligations and Disclosure Requirements), 2015.

Selection / Appointment Procedure

As per the Company's Nomination and Remuneration policy, selection of new Board members is the responsibility of the Nomination and Remuneration Committee (NRC), which is subsequently considered and approved by the Board. The NRC considers the knowledge, skill, professional and functional expertise, industry orientation, diverse academic, professional or technical background, age etc., while selecting an individual as a director. The appointment of new Director is finally approved by the shareholders either through postal ballot or in a General Meeting.

Board Independence

Based on the confirmation/disclosure received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI Listing Regulations.

There are no material pecuniary relationships or transactions between the Independent Directors and the company, except for sitting fees drawn by them for attending the meeting of the Board. None of the Non-Executive Directors hold any shares or convertible instruments in the company.



REPORT ON CORPORATE GOVERNANCE (Contd.)

A separate meeting of the Independent Directors was held to discuss inter alia :

- The performance of the chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;
- The performance of the Non-Independent Directors and the board as whole;
- 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.

Performance evaluation of Independent Director

Performance evaluation of Independent Director is made by the entire Board of Director excluding the director being evaluated. The policy laid down by Nomination & Remuneration committee has formulated criteria for performance evaluation of Independent Director.

Board Familiarization and Induction program

The Company has a well structured induction and training programme for Independent Director with an opportunity to familiarize with the Company, its management, its operations and business model of the Company etc. Independent Directors are kept well apprised of various policies formulated by the company from time to time as well as code of conduct for Board members and Senior Management personnel. The details of familiarization programme can be found at www.ellenbarrie.com.

Code of Business Conduct and Ethics

The Board has laid down a code of conduct for all Board members and senior management of the company and the same has been posted on the website of the company.

A declaration, to the effect that all Board members and senior management personnel have affirmed compliance with the code on annual basis, signed by the Managing Director forms part of this Annual Report.

Whistle Blower Policy

The Company has established a vigil mechanism for directors and employees and the whistle blower policy deals with any suspected fraud, unethical behavior and mis-management. The policy ensures safeguard against victimization of directors and employees who avail of the mechanism and provide for direct access to the Chairman of the Audit Committee. The details of the establishment of such mechanism are available on the website of the Company.

3. Audit Committee

As on March 31, 2017, the Audit Committee of the Board comprises of three (3) Non-Executive Directors out of which two (2) are Independent. The Chairperson is a

REPORT ON CORPORATE GOVERNANCE (Contd.)

Non-Executive Independent Director. The composition of the committee is in compliance with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. CFO and MD are permanent invitees to the committee. Others are invited on need basis. The roles and terms of reference of the Audit committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulation and Section 177 of the Companies Act, 2013, besides other term as may be referred by the Board of Directors of the company. The terms of reference of the Audit committee broadly are :

- ✓ Approval of annual internal audit plan;
- ✓ Review and approval of related party transactions;
- ✓ Review of financial reporting systems;
- ✓ Ensuring compliance with regulatory guidelines;
- ✓ Reviewing the quarterly, half-yearly and annual financial results;
- ✓ Discussing the annual financial statements and audit reports before submission to the Board;
- ✓ Interaction with statutory, internal and cost auditors;
- ✓ Recommendation for appointment and remuneration of auditors; and
- ✓ Reviewing and monitoring auditor's independence and performance etc.
- ✓ Financial statement of the company.
 - a) further the Audit committee also mandatorily reviews the following :
 1. Management discussion and analysis of financial condition and results of operations ;
 2. Statement of significant related party transactions submitted by the management;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit report relating to internal control weaknesses;
 5. Functioning of Whistle Blower mechanism in the Company.

Meeting, attendance and Composition of the committee

During the FY 2016-17, the Audit Committee met five (4) times i.e, on 24th May, 2016, 3rd August, 2016, 7th November, 2016 and 13th February, 2017.

The composition of the Audit Committee and the meeting attended by the members are as under :

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Name of Director	Category	No. of Meetings attended during the period
Mr Manas Kr. Dutta (Chairman of the Committee)	Independent Director	4
Mrs. Anindita Guhamallick (Member)	Independent Director	2
Mr. Kensuke Yamamoto (Member)	Non-Executive Director	2

General

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee attended the previous Annual General Meeting held on 3rd August, 2016.

4. Nomination & Remuneration Committee**a) Brief description of terms of reference :**

The composition of the committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing regulation. The role of the committee inter-alia includes:

- ✓ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ✓ Formulation of criteria for evaluation of performance of Independent directors and the Board of Directors;
- ✓ Devising a policy on diversity of Board of Directors;
- ✓ Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- ✓ To consider and evaluate whether extend or continue the terms of appointment of the Independent directors on basis of the report of performance evaluation of Independent directors.

b) Composition of the Committee

As at 31st March, 2016 the composition of the Committee is in line with Section 178 of the Companies Act, 2013, comprised of three members, of which majority of them are Independent Directors. During the FY 2016-17, the committee met thrice (3) i.e., on 24th May, 2016, 13th February, 2017 and 24th March, 2017.

REPORT ON CORPORATE GOVERNANCE (Contd.)**c) Meeting and Attendance**

Name of the Member	Category	No. of Meetings attended during the period
Mr. Manas Kumar Dutta (Chairman of the Committee)	Independent Director	3
Mr. Kensuke Yamamoto (Member)	Non-Executive Director	1
Mr Swapan Kumar Bhowmik (Member)	Independent Director	3

d) Performance Evaluation criteria for Independent Directors

The company believes in conducting its business affairs in a fair and transparent manner, giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders. The Nomination and Remuneration committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

5. Remuneration of Directors

Remuneration Policy for Directors

The remuneration paid by the Company to its Executive and Non-Executive Directors is decided by taking into consideration the following:

- a. Company's size and global presence;
- b. Remuneration trend in the industry;
- c. Compensation paid by peer companies;
- d. As a reflection of responsibility and performance; and
- e. Employment scenario.

Remuneration paid to Executive Director(s)

The Company has four (4) Executive Directors viz, Mr. Padam Kumar Agarwala (MD), Mr. Norio Shibuya (JMD), Mr. Shanti Prasad Agarwala (WTD) and Mr. Varun Agarwal (ED). The remuneration of the Executive Directors is approved by the shareholders on the basis of the recommendation of the Nomination and Remuneration committee. During the financial year 2016-17, the executive directors have taken a pay cut on their existing remuneration to the extent of 14.3%. There was no hike in the remuneration package for FY 2016-17.

Remuneration paid to Non-Executive Director(s)

During the financial year the Non-Executive directors do not have any pecuniary relationship or transactions with the Company. The appointment letter issued to the Independent director is available on the website of the company www.ellenbarrie.com. The independent directors are only eligible to sitting fees. No commission is paid to any of the directors. None of the directors have been issued or are eligible for stock options.

Details of remuneration paid to Whole-time Directors for the period ended 31st March, 2017 :

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Director	Salary & Perks	Commission	Total	Service Contract (Years)	Period
Mr. Padam Kumar Agarwala (Managing Director)	36.00	—	36.00	3 years	01.04.2016 to 31.03.2019
Mr. Norio Shibuya (Joint Managing Director)	36.00	—	36.00	3 Years	01.04.15 to 31.03.18
Mr. Shanti Prasad Agarwala (Whole Time Director)	36.00	—	36.00	3 Years	01.04.16 to 1.03.19
Mr. Varun Agarwal (Executive Director)	36.00	—	36.00	3 Years	01.04.16 to 31.03.19

6. Stakeholders' Grievance Committee

As on 31st March, 2017, the committee comprises of three(3) members. A Non-Executive Director chairs the Committee. During the year 2016-17, the committee met once (1) on 24th March, 2017 and noted that the committee did not receive any complaints during the financial year. There were no pending complaints from the shareholders as on 31st March, 2017. The main function of the Stakeholders' relationship committee is to strengthen the investor relations. The committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the committee are as under :

- i. Redressal of shareholders / investors complaints;
- ii. Non-receipt of declared dividends, balance sheets of the company; and
- iii. Carrying out any other function as prescribed under in the SEBI Listing regulations.

Name of the Member	Category	No. of Meetings attended during the period
Mr. Kensuke Yamamoto (Chairman)	Non-Executive Director	1
Mr. Manas Kumar Dutta (Member)	Independent Director	1
Mr. Norio Shibuya (Member)	Joint Managing Director	1

The Board has appointed Mrs. Priyanka Jaiswal Gupta, Company Secretary as the Compliance Officer for the Listing Regulations with effect from 1st December, 2015.

Share Transfers/Transmissions etc. as approved by the Committee are notified to the Board at regular intervals. During the year i.e. from 01.04.2016 to 31.03.2017, the status of complaints are as under :

REPORT ON CORPORATE GOVERNANCE (Contd.)

Complaints pending as on 01.04.2016	—	Nil
Complaints received from Investors	—	0
Complaints replied/resolved	—	0
Complaints pending as at 31.03.2017	—	Nil

7. Risk Management committee

The Board has constituted Risk Management Committee to periodically review the risk matrix and ensure that the executive management controls risk through properly defined framework. The constitution of the committee is in compliance with Regulation 21 of the SEBI listing regulation. During the year 2016-17, the Committee did not meet. The committee comprises of the following members :

Mr. Norio Shibuya (Chairman of the Committee)	Joint Managing Director
Mr. Ryosuke Matsubayshi	Non-Executive Director
Mr. Varun Agarwal	Executive Director
Mr. Srinivas Prasad	CFO

The Company has formulated a Remuneration Policy defining the roles and responsibilities of the Risk Management Committee as well as monitoring and reviewing the risk management plans and other functions. The details of the policy is available at the website of the Company.

8. GENERAL BODY MEETINGS

a. Last three annual and/or Extraordinary general meeting details are as follows :

Financial Year	Date & Time	Venue	Special Resolution Passed
2016-17	3rd August, 2016 at 3 P.M.	The Conclave, 216, A.J.C. Bose Road, Kolkata - 700 017	<ol style="list-style-type: none"> 1. Continuation of Mr. Shanti Prasad Agarwala as an Executive Director 2. Appointment of Mr. Padam kr. Agarwala as MD of the Company. 3. Appointment of Mr. Norio Shibuya as the Jt. MD of the Company.



REPORT ON CORPORATE GOVERNANCE (Contd.)

Financial Year	Date & Time	Venue	Special Resolution Passed
			4. Approval of remuneration to be paid to Mr. Varun Agarwal as minimum remuneration. 5. Approval of remuneration to be paid to Mr. Shanti Prasad Agarwala as minimum remuneration.
2015-16	12th February, 2016 at 3 P.M.	The Conclave, 216, A.J.C. Bose Road, Kolkata - 700 017	1. Issue of 9% redeemable cumulative preference shares on preferential basis
2015-16	18th May, 2015 at 2 P.M.	The Conclave, 216, A.J.C. Bose Road, Kolkata - 700 017	1. Appointment and remuneration payable to Mr. Norio Shibuya as the Joint Managing Director of the Company
2014-15	18th September, 2015 at 3 P.M.	The Conclave, 216, A.J.C. Bose Road, Kolkata - 700 017	1. To change the place of keeping the Register of Members from the Registered office of the Company to the office of the Registrar & Share Transfer Agent 2. To increase the borrowing powers of the Company to INR 500 crores 3. To increase the charge creation and hypothecation power to INR 500 crores 4. To approve the related party transactions of the Company

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Date of EGM 12.02.2016 Issuance of 9% Redeemable Cumulative Preference shares in the Company on preferential basis.	Special	49,06,400	15,67,542	100	0	0
Date of AGM 03.08.2016 Resolution u/s 196(3) for Mr. Shanti Prasad Agarwala, Executive Director of the Company	Special	33,38,892	33,38,892	100	0	0
Appointment of Mr. Padam Kumar Agarwala as the MD of the Company	Special	33,38,892	33,38,892	100	0	0
Appointment of Mr. Norio Shibuya as the JMD of the Company	Special	15,67,491	15,67,491	100	0	0
Approval of remuneration to be paid to Mr. Varun Agarwal, ED of the Company	Special	33,38,892	33,38,892	100	0	0
Approval of remuneration to be paid to Mr. Shanti Prasad Agarwala, WTD of the Company	Special	33,38,892	33,38,892	100	0	0
Date of EGM 18.05.2015 Appointment of Mr. Norio Shibuya as the MD of the Company	Special	1,56,741	15,67,520	99.99	9	0.0006
Date of AGM 18.09.2015 To change the place of keeping Registers of members from the Registered Office of the Company to the office of Registrar and Share transfer agent	Special	46,41,802	46,41,791	99.99	11	0.01
Resolution u/s 180(1)(a) to enhance the borrowing powers to Rs. 500 crores	Special	46,41,802	46,41,789	99.99	13	0.01
Resolution u/s 180(1)(c) to enhance the hypothecation and charge creation power to 500 crore	Special	46,41,802	46,41,798	99.99	3	0.01
Resolution approving related party transaction of the Company	Special	3,07,862	3,07,859	99.99	3	0.01



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 CDSL.

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 shares 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.ellenbarrie.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, if approved by the requisite majority.

REMOTE E-VOTING AND BALLOT VOTING AT THE AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged CDSL to provide e-voting facility to all the members. Members whose names appear on the register of members as on September 4, 2017, shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

9. MEANS OF COMMUNICATION

- i) The Board of Directors of the Company approves and takes on record the unaudited quarterly financial results and audited annual financial results and announces forthwith the results to the Bombay Stock Exchange Ltd., and Calcutta Stock Exchange where the shares of the Company are listed. The same are published in two local news papers namely Business Standard, Arthik Lipi 48 hours of approval thereof by the Board and are displayed on the Company's website www.ellenbarrie.com
- ii) The Company has not made any presentation to institutional investors or to analysts during the year.
- iii) Management Discussion and Analysis is a part of the Directors' Report

REPORT ON CORPORATE GOVERNANCE (Contd.)

10. GENERAL INFORMATION FOR SHAREHOLDERS

- (a) CIN of the Company : L24112WB1973PLC029102
- (b) Date of Annual General Meeting & Time : 11th September, 2016 Monday, at 11.00 A.M.
- (c) Venue : THE CONCLAVE
216, Acharya Jagadish Chandra Bose Road,
Kolkata - 700 017
- (d) Financial Year : 2016 - 2017
- (e) Book Closure : From 5th September, 2017 to
11th September, 2017
- (f) ISIN : INE 236 E 01014
- (g) Listing on Stock Exchange : The Shares of the Company are listed on
The Calcutta Stock Exchange Ltd. and
permitted for Trading on the Bombay Stock
Exchange with effect from 03.07.2008.

(h) ADDRESS FOR CORRESPONDENCE

- i) Registered Office : ELLENBARRIE INDUSTRIAL GASES LTD.
3A, Ripon Street, Kolkata - 700 016
 - ii) Registrar and Share Transfer Agent : ABS Consultant Pvt. Ltd.
Stephen House, 6th Floor, Room No. 99
4, B.B.D. Bag (East) Kolkata - 700 001
Phone : 033 2230 1043
E-mail : absconsultant99@gmail.com
 - iii) Plant Locations : **Kalyani Works :**
Block 'D' Plot No.-25, Kalyani Industrial
Estate, P.O. : Kalyani, District : Nadia (W.B.)
Uluberia Works :
NH-6, Bombay Road, P.O. Uluberia
Dist. Howrah (W.B.)
Parwada Works :
Plot No. 57A, J.N. Pharmacy, Parwada
Visakhapatnam, Andhra Pradesh
Jadcherla Works :
Plot No. P-9B, GIP Jadcherla
Dist. Mahabubnagar, Telangana-509 301 (A.P.)
- (i) Stock Code of Exchange : 590087

**REPORT ON CORPORATE GOVERNANCE (Contd.)****(j) SHARE PRICE DATA**

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2016 to 31-03-2017. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008 and discontinued in March, 2017.

(k) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	Value of Shares	% of Shareholding
1-500	323	92.28	13,084	1,30,840	0.188
501-1,000	8	2.28	6,916	69,160	0.10
1,001-2,000	4	1.14	6,305	63,050	0.09
2,001-3,000	—	—	—	—	—
3,001-4,000	—	—	—	—	—
4,001-5,000	—	—	—	—	—
5,001-10,000	1	0.28	5,502	55,020	—
10,001-50,000	4	1.14	1,44,653	8,01,530	2.21
50,001-1,00,000	4	1.14	2,20,835	22,08,350	3.46
1,00,001 and above	6	1.71	61,49,485	6,14,94,850	93.93
TOTAL	350	100.00	65,46,780	6,54,67,800	100.00

(l) STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTER HOLDING			
Individual / HUF	3	15,67,457	23.94%
Bodies Corporate	1	33,38,858	51.00%
Total No. of Promoter Holding	4	49,06,315	74.94%
NON PROMOTER HOLDING			
Institution	—	—	—
Mutual Fund / UTI	—	—	—
Financial Institution/Bank	—	—	—
NON-INSTITUTION			
Bodies Corporate	16	12,69,502	19.39%
Indian Public	328	3,30,003	5.04%
NRI / OCB / Foreign National	01	460	0.01%
Central Govt. / State Govt.	01	40,500	0.62%
Total No. of Non promoter Holding	346	16,40,465	25.06%
Grand Total	350	65,46,780	100.00%

REPORT ON CORPORATE GOVERNANCE (Contd.)

- (m) **Share Transfer System** : Shares are to be lodged with the RSTA of the Company for transfer along with transfer deed duly executed in all respect. All the share transfers are normally processed within 15 days from the date of lodgement thereof and are approved by the Board.

Pursuant to Regn. 40(9) of SEBI (Listing Obligation and disclosure Requirements) Regn. 2015, on half year basis, certificates have been issued by CS in practice for due compliance of share transfer formalities by the Company and Secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company.

- (n) **Dematerialisation of Shares & Liquidity** : All the shares held by promoter are in demat form.

- (o) **Outstanding GDR / ADR Warrants etc.** : Nil

11. DISCLOSURES :

- i) The transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were not in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Necessary approvals were taken at General Meetings.
- ii) The Company has complied with all the provisions of various Corporate Acts, Rules and Regulations made thereunder, including various regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. There has been no instance of non-compliance by the Company on any matter related to the Capital markets, during the last three years.
- iii) The Company has a Whistle Blower policy in place. The Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company.
- iv) The Board of Directors has laid down a Code of Conduct for all the Board members and Members of the Senior Management of the Company. In addition there is also a Code of Conduct for Regulating, Monitoring and Reporting of Trading in shares of the Company by Insiders and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive information. A declaration from the Chairman affirming compliance of the said Code is annexed.
- v) Policy dealing with related party transactions are avail at www.ellenbarrie.com



ANNEXURE - 'A1' TO CORPORATE GOVERNANCE REPORT

Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	Norio Shibuya	Swapan Kr. Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Kensuke Yamamoto	Aashta Shah
Din No.	00187727	00187729	01526576	07099850	000811626	01180693	06721947	07091189	07771294
Date of Birth	14.11.1960	07.08.1942	06.04.1984	20.01.1960	00.06.1945	01.09.1933	16.11.1964	28.05.1956	18.04.1993
Original Date of appointment	31.10.2001	01.01.2001	14.08.2008	01.04.2015	09.05.2014	05.10.2006	05.11.2013	13.02.2015	24.03.2017
Qualifications	B.Com (Hons)	B.Com	Bsc (Economics); M.Phil in Economics from Cambridge University	Commerce Graduate from OIaru University	Chemical Engineering from IIT Bombay	B.Com (Hons), FCA	Graduate from Kyoto Institute of Technology, Faculty of Science	Economics Graduate from Tokyo University	Bachelors in Law (LLB)
Experience Shareholding in the Company	31 years 497541 eq. Share	52 years 497541 eq. Share	11 years 572375 eq. Share	31 years Nil	46 years Nil	51 years Nil	26 years Nil	36 years Nil	3 years Nil
Remuneration Last drawn	3,00,000/- p.m.	3,00,000/- p.m.	3,00,000/- p.m.	Appointed as MD w.e.f. 01.04.2015	Nil	Nil	Nil	Nil	Nil
Terms of appointment / Re-appointment	As per contract	As per contract	As per contract						Will be Regularised as Director & ID w.e.f. 11.03.2017
Relationship of other Director	Mr. Shanti Prasad Agarwala - Father; Mr. Varun Agarwal - Son	Mr. Padam Kr. Agarwala - Son; Mr. Varun Agarwal - Grandson	Mr. Shanti Prasad Agarwala - Grandfather; Mr. Padam Kr. Agarwala - Father	Nil	N.A.	N.A.	N.A.	N.A.	N.A.

Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	Norio Shibuya	Swapan Kr. Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Kensuke Yamamoto	Aashta Shah
Directorship held in other company	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Superior Tea & Allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt. Ltd. 6. Ellenbarrie Tea & Industries Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Superior Tea & Allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt. Ltd. 6. Ellenbarrie Tea & Industries Ltd. 7. Ellenbarrie Tea Co. Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Ellenbarrie Tea & Industries Ltd. 4. Ellenbarrie Cryogenics Ltd.	Nil	Nil	1. Comfort Share Trading Ltd.	Nil	Nil	Nil
Membership in various Committees	No	No	Risk Management Committee	Audit Committee & Risk Management Committee	Nomination & Remuneration Committee	Audit Committee & Remuneration Committee & Stakeholders Relationship Committee	Risk Management Committee	Audit Committee & Nomination Remuneration Committee & Stakeholders Relationship Committee	Audit Committee



**CERTIFICATION BY
MANAGING DIRECTOR (MD) AND
CHIEF FINANCIAL OFFICER (CFO)**

The Board of Directors
Ellenbarrie Industrial Gases Limited
3A, Ripon Street
Kolkata - 700 016

29th May, 2017

We together certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2017 and to the best of our knowledge and belief, we certify that –

1. The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are no transactions entered into by the Company during the financial year ended 31st March, 2017, which are fraudulent, illegal or violative of the Company's Code of Conduct;
4. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Auditor and we have evaluated the effectiveness of the internal control systems of the Company based on feedbacks received from the Company's Internal Auditor and accordingly state that there are no deficiencies in the design or operation of the internal controls, of which we are awareof;
5. There have been no significant changes in internal controls during the year, nor has there been any significant changes in the Accounting policies during the financial year ended 31st March, 2017 which requires to be disclosed in the notes to the financial statements;
6. There have been no instances of frauds, of which we are awareof, for the financial year ended 31st March, 2017.

Place : Kolkata
Date : 11th August, 2017

Padam Kumar Agarwala
Managing Director
DIN : 00187727

K. Srinivas Prasad
Chief Financial Officer
CA - 055927

**AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD
MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I, Padam Kumar Agarwala, Managing Director of Ellenbarrie Industrial Gases Ltd. has received affirmation of Compliance with the "Code of Business Conduct of Directors and Senior Executives" laid down by the Board of Director from all the Directors & Senior Management Personnel of the Company to whom the same is applicable for the financial year ended 31st March, 2017.

Kolkata
Dated : 11th August, 2017

For and on behalf of the Board
PADAM KUMAR AGARWALA
Managing Director
DIN : 00187727



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF ELLENBARRIE INDUSTRIAL GASES LTD.

1. We have examined the compliance of conditions of Corporate Governance by Ellenbarrie Industrial Gases Ltd. ("the Company"), for the year ended on March 31, 2017, as stipulated in :
 - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2016 to November 30, 2016.
 - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2016 to September 01, 2016.
 - Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2016 to March 31, 2017 and
 - Regulations 17 to 27 (excluding Regulation 23(4)) and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2016 to March 31, 2017.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the institute of the Chartered Accountants of India
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above.
5. We 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.

For ABHISHEK KUMAR
Chartered Accountant

ABHISHEK KUMAR

Proprietor

(Membership No. 302000)

19B, Ballygunge Place
Kolkata - 700 019
Dated : 11th August, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELLENBARRIE INDUSTRIAL GASES LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of ELLENBARRIE INDUSTRIAL GASES LTD. which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the 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 Financial Statements

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 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I 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.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



INDEPENDENT AUDITOR'S REPORT (Contd.)

considers internal financial control 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

I draw attention to the following matters in the Notes to the financial statements :

- a) Note 32 to the financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company by a supplier.
- b) The Company has incurred a net loss during the previous year, and the Company's current liabilities exceed its current assets as at the balance sheet date. There has been no default in repayment of loans or interest in respect of loans. The financial statements of the Company have been prepared on a going concern basis.

My opinion is not modified in respect of these matters.

As required by the Companies (Audit Report) Order, 2016, I report that :

- I)
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. However the fixed asset register is under compilation for the year ending 31st March, 2017.
 - b) The fixed assets have been physically verified by the management at the year end and no material discrepancy was noticed on such verification.
 - c) The title deeds of the immovable properties are held in the name of the company.
- II) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancy was noticed.
- III) Maintenance of cost records has been specified by the Central Government under sub section (I) of section 148 of the Companies Act, 2013 and such records and accounts are maintained.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- IV) The company is regular in depositing 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 any other statutory dues with the appropriate authorities and there is no arrear as at the last day of the financial year for a period of more than six months from the date they became payable.
- V) The company has not defaulted in repayment of loans or borrowings to a financial institution and bank.
- VI) Money raised by way of term loans were applied for the purposes for which they were raised.
- VII) No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- VIII) Managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- IX) All transaction with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, etc. as required by the applicable accounting standards.
- X) The company has not entered into any non cash transactions with directors or persons connected with them.

In the circumstances of the case, the other clauses of the order are not applicable to the company.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, I report that :

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, **barring non compliance of Accounting Standards 15: Re: Retirement Benefits and subject to Note 37 of Notes to Accounts regarding Accounting Standards 22 : Re: Deferred Tax.**



INDEPENDENT AUDITOR'S REPORT (Contd.)

- e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in my opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of internal financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to my separate report in "Annexure – A".
- h) 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) Rule, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016. I report that the disclosures are in accordance with the books of account maintained by the company and as produced to me by the management.

19B, Ballygunge Place
Kolkata - 700 019
Dated : 11th August, 2017

For ABHISHEK KUMAR
Chartered Accountant
ABHISHEK KUMAR
Proprietor
(Membership No. 302000)

ANNEXURE A TO THE AUDITOR'S REPORT

Report on the Standalone Financial Statements of on the Internal financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Ellenbarrie Industrial Gases Ltd. ("the Company") as of 31st March, 2017 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 issued by the Institute of Chartered Accounts 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 its 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 Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accounts of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

**ANNEXURE A TO THE AUDITOR'S REPORT (Contd.)**

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 internal financial control over financial reporting 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 issued by the Institute of Chartered Accounts of India.

19B, Ballygunge Place
Kolkata - 700 019
Dated : 11th August, 2017

For ABHISHEK KUMAR
Chartered Accountant
ABHISHEK KUMAR
Proprietor
(Membership No. 302000)

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31.03.2017 ('000 Rs.)	As at 31.03.2016 ('000 Rs.)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	1	1,70,468	1,70,468
Reserves and Surplus	2	1,56,493	1,36,337
		<u>3,26,961</u>	<u>3,06,805</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	11,29,133	13,08,540
Deferred Tax Liabilities (Net)	4	2,574	2,574
		<u>11,31,707</u>	<u>13,11,114</u>
CURRENT LIABILITIES			
Short Term Borrowings	5	6,49,772	4,74,631
Trade Payables	6	32,613	45,054
Other Current Liabilities	7	1,02,785	96,915
Short Term Provisions	8	55,997	56,022
		<u>8,41,167</u>	<u>6,72,622</u>
TOTAL		<u>22,99,835</u>	<u>22,90,542</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	9		
Tangible Assets		16,26,522	16,44,441
Intangible Assets		1,104	1,596
Capital Work-in-Progress		54,210	28,819
		<u>16,81,836</u>	<u>16,74,856</u>
CURRENT ASSETS			
Inventories	10	39,093	80,966
Trade Receivables	11	2,83,404	2,51,036
Cash and Cash Equivalents	12	29,687	18,009
Short Term Loans and Advances	13	2,65,815	2,65,674
		<u>6,17,999</u>	<u>6,15,685</u>
TOTAL		<u>22,99,835</u>	<u>22,90,542</u>

NOTES TO ACCOUNTS 21 to 39

Notes 1 to 13 are an integral part of the Balance Sheet

In terms of my Report of even date annexed herewith

For ABHISHEK KUMAR
Chartered Accountants
Abhishek Kumar
Proprietor
(Membership No. 302000)
19B, Ballygunge Place
Kolkata - 700 019
Dated : 11th August, 2017

On behalf of the Board of Directors
PADAM KUMAR AGARWALA
Managing Director
(DIN : 00187727)
NORIO SHIBUYA
Jt. Managing Director
(DIN : 07099850)
PRIYANKA JAISWAL
Company Secretary
ACS - 32596
K. SRINIVAS PRASAD
Chief Financial Officer
CA - 055927



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

	Note No.	For the Year Ended 31.03.2017 (‘000 Rs.)	For the Year Ended 31.03.2016 (‘000 Rs.)
INCOME			
Revenue from Operations	14	10,37,647	9,59,878
Other Income	15	15,877	10,543
Total Revenue		<u>10,53,524</u>	<u>9,70,421</u>
EXPENSES			
Cost of Materials Consumed	16	73,486	46,941
Material Purchased for Trading		64,755	82,655
Changes in Inventories of Stock-in-Trade	17	43,091	45,370
Employee Benefits Expense	18	77,596	82,779
Finance Costs	19	1,03,291	1,50,989
Depreciation and Amortization Expense	9	70,080	71,047
Other Expenses	20	6,13,843	6,23,806
Total Expenses		<u>10,46,142</u>	<u>11,03,587</u>
Profit/(Loss) before Exceptional & Extra Ordinary Items & Tax		<u>7,382</u>	<u>(1,33,166)</u>
Exceptional Items		—	—
Extra Ordinary Items		—	—
Profit/(Loss) before Tax		<u>7,382</u>	<u>(1,33,166)</u>
Current Tax		—	—
Deferred Tax		—	—
Profit/(Loss) for the year from Continuing Operations		<u>7,382</u>	<u>(1,33,166)</u>
Earnings Per Share (Rs.)			
Basic		1.13	(20.34)
Diluted		1.13	(20.34)

NOTES TO ACCOUNTS 21 to 39

Notes 9 and 14 to 20 are an integral part of the Profit & Loss Statement

In terms of my Report of even date annexed herewith

For ABHISHEK KUMAR

On behalf of the Board of Directors

Chartered Accountants

PADAM KUMAR AGARWALA

NORIO SHIBUYA

Abhishek Kumar

Managing Director

Jt. Managing Director

Proprietor

(DIN : 00187727)

(DIN : 07099850)

(Membership No. 302000)

19B, Ballygunge Place

PRIYANKA JAISWAL

K. SRINIVAS PRASAD

Kolkata - 700 019

Company Secretary

Chief Financial Officer

Dated : 11th August, 2017

ACS - 32596

CA - 055927

CASH FLOW STATEMENT for the year ended 31st March, 2017

	Year Ended 31.03.2017 (‘000 Rs.)	Year Ended 31.03.2016 (‘000 Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	7,382	(1,33,166)
Adjustments For		
- Depreciation	70,080	71,047
- Interest Expense	1,03,291	1,50,989
- Interest Income	(6,625)	(4,737)
- Sundry balance w/off	—	—
- Loss/ (Profit) on Sale of Fixed Assets	(2,274)	(5,063)
- Dividend	—	—
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>1,71,854</u>	<u>79,070</u>
Movements in working capital :		
- Increase/(decrease) in trade payables	(12,441)	(18,380)
- Increase/(decrease) in short-term borrowings	1,75,141	(3,01,846)
- Increase/(decrease) in other current liabilities	5,871	(3,091)
- Increase/(decrease) in short term provisions	850	(3,903)
- (Increase)/decrease in trade receivables	(32,369)	1,184
- (Increase)/decrease in inventories	41,873	41,812
- (Increase)/decrease in Subsidy Receivable	(9,701)	85,904
- (Increase)/(decrease) in short-term loans & advances	10,042	(14,596)
CASH GENERATED FROM OPERATIONS	<u>3,51,119</u>	<u>(1,33,846)</u>
- Direct Taxes Paid (Net)	(482)	(991)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>3,50,637</u>	<u>(1,34,837)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchases of Fixed Assets	(52,152)	(81,673)
- Increase in CWIP	(25,391)	(13,338)
- Sale of Fixed Assets	2,754	6,057
- Interest Received	6,625	4,737
NET CASH USED IN INVESTING ACTIVITIES	<u>(68,164)</u>	<u>(84,217)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from 9% Redeemable Cumulative Preference Share Issue	—	3,15,000
- Proceeds from Long term borrowings	503	59,154
- Repayment of Long term borrowings	(1,68,004)	(38,185)
- Payment of Interest	(1,02,420)	(1,20,304)
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	<u>(2,69,921)</u>	<u>2,15,665</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>11,678</u>	<u>(3,389)</u>
Opening cash & cash equivalent	18,009	21,398
Closing cash & cash equivalent	<u>29,687</u>	<u>18,009</u>
	<u>(11,678)</u>	<u>3,389</u>

PADAM KUMAR AGARWALA

NORIO SHIBUYA

PRIYANKA JAISWAL

K. SRINIVAS PRASAD

Managing Director

Jt. Managing Director

Company Secretary

Chief Financial Officer

(DIN : 00187727)

(DIN : 07099850)

ACS - 32596

CA - 055927

Dated : 11th August, 2017

This is the Cash Flow Statement referred to in my Report of even date.

For ABHISHEK KUMAR

Chartered Accountant

Abhishek Kumar

Proprietor

19B, Ballygunge Place

Kolkata - 700 019

Dated : 11th August, 2017

(Membership No. 302000)



NOTES TO BALANCE SHEET as at 31st March, 2017

	As at 31.03.2017 (*000 Rs.)	As at 31.03.2016 (*000 Rs.)
1. SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000
15,00,000 9% Cumulative Redeemable Preference Shares of Rs. 100 each	1,50,000	1,50,000
Reconstituted converting 1,10,00,000 Equity Shares of Rs. 10 each into 11,00,000 Preference Shares of Rs. 100 each)	<u>2,50,000</u>	<u>2,50,000</u>
Issued, Subscribed and Paid-up		
65,46,780 Equity Shares of Rs. 10 each	65,468	65,468
10,50,000 9% Cumulative Redeemable Preference Shares of Rs. 100 each	1,05,000	1,05,000
Issued to Holding Company, Air Water Inc., Osaka, Japan Redeemable within 15 years in three instalments : i) end of the March, 2023 : 1/3 of nominal value along with a premium of INR 242/- per share; ii) end of the March, 2027 : 1/3 of nominal value along with a premium of INR 266/- per share; , iii) end of March, 2031 : 1/3 of nominal value along with a premium of INR 290/- per share	<u>1,70,468</u>	<u>1,70,468</u>
a) As at 31st March, 2017 Air Water Inc., Osaka, Japan as the Holding Company holds 33,38,858 equity shares (51% of shares). No other Associate or related parties of Air Water Inc. hold any shares in the Company.		
b) Details of Shareholders holding more than 5% shares in the company :		
	As at 31st March, 2017	As at 31st March, 2016
Equity Shares of Rs. 10/- each fully paid	No. of Shares	%
	No. of Shares	%
Air Water Inc. (Ultimate Holding Company)	33,38,858	51.00
Mr. Shanti Prasad Agarwala	4,97,541	7.60
Mr. Padam Kumar Agarwala	4,97,541	7.60
M/s. Heaven Commercial Pvt. Ltd.	10,28,068	15.70
Mr. Varun Agarwal	5,72,375	8.74
c) No equity shares have been allotted other than cash or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.		
d) No convertible securities has been issued by the company during the year.		
e) No calls are unpaid by any Director and Officer of the Company during the year.		

NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)

	As at 31.03.2017 (*000 Rs.)	As at 31.03.2016 (*000 Rs.)
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Financial Statements	1,442	1,442
	<u>1,442</u>	<u>1,442</u>
Capital Redemption Reserve		
As per last Financial Statements	600	600
	<u>600</u>	<u>600</u>
Share Premium		
As per last Financial Statements	2,10,000	—
Received During the year	—	2,10,000
	<u>2,10,000</u>	<u>2,10,000</u>
Revaluation Reserve		
As per last Financial Statements	2,31,963	2,31,963
	<u>2,31,963</u>	<u>2,31,963</u>
Foreign Currency Translation Difference		
As per last Financial Statements	(15,794)	(10,973)
Add / (Less) : Difference Arising during the Year	12,774	(4,821)
	<u>(3,020)</u>	<u>(15,794)</u>
General Reserve		
As per last Financial Statements	1,94,847	1,94,847
	<u>1,94,847</u>	<u>1,94,847</u>
Preference Share Redemption Reserve		
As per last Financial Statements	—	—
Add : Transfer from Profit and Loss Account	7,381	—
	<u>7,381</u>	<u>—</u>
Profit & Loss Account		
As per last Financial Statements	(4,86,721)	(3,53,555)
Less : Profit / Add : (Loss) for the year	7,382	(1,33,166)
Appropriations :		
Transfer to Preference Share Redemption Reserve	7,381	—
Net Surplus	<u>(4,86,720)</u>	<u>(4,86,721)</u>
Total	1,56,493	1,36,337

**NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)**

	As at 31.03.2017 (‘000 Rs.)	As at 31.03.2016 (‘000 Rs.)
3. LONG-TERM BORROWINGS		
Secured		
From Banks		
A) From Bank of Tokyo Mitsubishi UFJ (Secured by corporate guarantee from Holding Company)	2,07,484	2,12,265
B) From Japan Bank for International Cooperation (Secured by corporate guarantee from Holding Company)	3,11,225	3,18,398
C) From Sumitomo Mitsui Banking Corporation (Secured by corporate guarantee from Holding Company)	1,10,000	1,10,000
D) Car Loan from Bank (Secured by hypothecation of vehicles purchased under the Scheme)	69	453
E) From Barclays Bank Plc (Secured by bank guarantee from Holding Company)	3,48,021	4,62,174
F) From Kotak Mahindra Bank (Secured by bank guarantee from Holding Company)	1,52,334	2,05,249
	<u>11,29,133</u>	<u>13,08,540</u>

Term of Repayment

- A) From Bank of Tokyo Mitsubishi UFJ
USD 32,00,000 to part finance Hyderabad project repayable in 13 HY installments of USD 2,46,000 each starting June, 2018 and ending June, 2024
- B) From Japan Bank for International Cooperation
USD 48,00,000 to part finance Hyderabad project repayable in 14 HY installments of USD 3,44,000 each starting September, 2018 ending March, 2025
- C) From Sumitomo Mitsui Banking Corporation
Repayable in 10 HY installments of Rs. 1,10,00,000 each starting September, 2017 and ending March, 2022
- D) Car Loan from Banks :
Repayable in monthly EMIs of Rs. 0.16 Lacs each (including interest), maturing August, 2017

NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)

- E) From Barclays Bank Plc
i) USD 1.6 Million, repayable in single installment maturing in October, 2019 with option to roll over
ii) USD 3.77 Million, repayable in single installment maturing in April, 2019 with option to roll over
- F) From Kotak Mahindra Bank
i) USD 1.69 Million, repayable in semi-annual instalment of USD 2,81,640 each maturing by March, 2020
ii) USD 0.66 Million, repayable in semi-annual instalment of USD 94,227 each maturing by May, 2020.
iii) There has been no default in repayment of loan or in report of any of the above loan.

	As at 31.03.2017 (‘000 Rs.)	As at 31.03.2016 (‘000 Rs.)
4. DEFERRED TAX LIABILITIES (NET)		
On difference in depreciation	5,067	5,067
On provision for Bad / Doubtful Debts	(1,824)	(1,824)
On Employee Benefits	(669)	(669)
	<u>2,574</u>	<u>2,574</u>
Deferred Tax liability / (asset) adjusted to Profit & Loss during the year	<u>—</u>	<u>—</u>

5. SHORT TERM BORROWINGS**SECURED**

Cash Credit from Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of three Directors.)	1,84,858	1,65,079
Short Term Loan from Sumitomo Mitsui Banking Corporation (Unconfirmed) (Secured by corporate guarantee from Air Water Inc., Japan)	1,00,000	1,00,000
Short Term Loan from Bank of Tokyo Mitsubishi UFJ (Secured by corporate guarantee from Air Water Inc., Japan)	2,45,000	—
UNSECURED		
In Current Account with Banks (Cheques Overdrawn) (Unconfirmed Rs. 1,317)	1,534	623
Loan from Directors	1,18,380	2,08,930
	<u>6,49,772</u>	<u>4,74,631</u>

There has been no default in repayment of loan or interest



NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)

	As at 31.03.2017 (‘000 Rs.)	As at 31.03.2016 (‘000 Rs.)
6. TRADE PAYABLES		
For Goods & Services	32,613	45,054
	<u>32,613</u>	<u>45,054</u>
7. OTHER CURRENT LIABILITIES		
Deposit from Customers	87,637	85,997
Advance from Customers	10,728	8,783
Duties & Taxes Payable	4,420	2,134
	<u>1,02,785</u>	<u>96,915</u>
8. SHORT TERM PROVISIONS		
Bonus	1,841	1,500
Gratuity	4,169	5,139
Leave Encashment	490	—
Central Excise Duty	2,531	2,417
Provisions for Taxation	46,966	46,966
	<u>55,997</u>	<u>56,022</u>

**NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)
9. DETAILS OF FIXED ASSETS**

Description	COST			DEPRECIATION			BALANCE	
	As at 01.04.2016 (‘000 Rs.)	Additions (‘000 Rs.)	Adjustment (‘000 Rs.)	As at 31.03.2017 (‘000 Rs.)	Additions (‘000 Rs.)	Adjustment (‘000 Rs.)	As at 31.03.2017 (‘000 Rs.)	As at 31.03.2016 (‘000 Rs.)
Tangible Assets :								
Freehold Land	1,61,074	565	—	1,61,639	—	—	1,61,639	1,61,074
Leasehold Land	1,22,901	—	—	1,22,901	—	2	1,22,899	1,22,899
Buildings	1,32,972	—	—	1,32,972	4,248	25,203	1,07,769	1,12,017
Roads	410	1,375	—	1,785	66	149	1,636	327
Computers	6,581	375	25	6,931	607	5,896	1,035	1,268
Electrical Installations & Equipments	99,815	30	—	99,845	8,213	45,886	53,959	62,142
Furniture & Fittings	5,199	30	—	5,228	359	3,468	1,760	2,090
Motor Vehicles	7,358	—	2,463	4,895	315	1,984	1,306	2,100
Office Equipments	2,091	217	—	2,308	131	1,828	480	393
Plant and Machinery	18,38,022	49,304	374	18,86,952	55,395	7,12,913	11,74,039	11,80,130
Sub-Total	23,76,422	51,895	2,862	24,25,455	69,334	2,382	16,26,522	16,44,441
Intangible Assets :								
Computers Software	4,848	253	—	5,101	746	3,997	1,104	1,596
Work in Progress	28,819	25,391	—	54,210	—	—	54,210	28,819
Total as on 31.03.2017	24,10,089	77,539	2,862	24,84,767	70,079	2,382	16,81,836	—
Total as on 31.03.2016	23,22,470	95,867	8,247	24,10,089	71,047	6,398	—	16,74,856

Note : Capital work in Progress includes Advances for Capital Expenditure of 20,103

**NOTES TO BALANCE SHEET as at 31st March, 2017 (Contd.)**

	As at 31.03.2017 (‘000 Rs.)	As at 31.03.2016 (‘000 Rs.)
10. INVENTORIES		
(As taken, Valued & certified by the Management)		
Raw Materials (At cost)	3,935	3,868
Finished Goods & Work in Progress (At lower of cost or net realisable value)	22,782	34,364
Trading Goods (At cost)	798	32,306
Shares & Securities (At lower of cost or market value)	347	348
Stores & Spares (At cost)	11,231	10,080
	<u>39,093</u>	<u>80,966</u>
11. TRADE RECEIVABLES		
Unsecured, considered good :		
Outstanding for a period exceeding six months	81,877	84,317
Others	2,13,930	1,77,621
	<u>2,95,806</u>	<u>2,61,938</u>
Less : Provision for Bad & Doubtful Debts	12,402	10,902
	<u>2,83,404</u>	<u>2,51,036</u>
12. CASH AND CASH EQUIVALENTS		
Balance with Banks :		
In Current Account (Unconfirmed Rs. : 33)	7,983	4,133
In Unpaid Dividend Account (Unconfirmed)	71	137
In Margin Deposit Account	21,124	13,166
Cash in hand	509	574
	<u>29,687</u>	<u>18,009</u>
13. SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Security Deposits	57,387	50,630
Advance against supply of Goods and Services	99,099	1,14,286
Prepaid Expenses	2,404	3,892
Loans & Advances to Employees	420	544
Advance Income Tax & TDS	51,954	51,472
Subsidy Receivable	54,551	44,850
	<u>2,65,815</u>	<u>2,65,674</u>

NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2017

	Year ended 31.03.2017 (‘000 Rs.)	Year ended 31.03.2016 (‘000 Rs.)
14. REVENUE FROM OPERATIONS		
Sale of Products	9,82,687	8,37,796
Sale of Traded Goods	88,134	1,50,513
	<u>10,70,821</u>	<u>9,88,309</u>
Other Operating Revenues (Net)	48,406	46,597
Total Revenue	11,19,227	10,34,906
Less : Excise Duty	81,580	75,028
	<u>10,37,647</u>	<u>9,59,878</u>
15. OTHER INCOME		
Interest Income		
On Bank Deposits	1,668	1,165
On Others	4,957	3,571
	<u>6,625</u>	<u>4,737</u>
Profit on sale of Fixed Assets (Net)	2,274	5,063
Excess Liabilities and Unclaimed Balances written back	1,598	80
Sundry Receipts	937	17
Duty Draw back Receipt	4,223	637
Insurance Claim Received	220	9
	<u>9,252</u>	<u>5,806</u>
	<u>15,877</u>	<u>10,543</u>
16. COST OF MATERIAL CONSUMED		
Calcium Carbide	14,567	12,039
Gases	58,919	34,902
	<u>73,486</u>	<u>46,941</u>
17. CHANGES IN INVENTORIES OR STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished Goods	34,364	16,603
Trading Goods	32,306	95,438
Shares	348	348
	<u>67,018</u>	<u>1,12,389</u>
Inventories at the end of the year		
Finished Goods	22,782	34,364
Trading Goods	798	32,306
Shares	347	348
	<u>23,927</u>	<u>67,018</u>
	<u>43,091</u>	<u>45,370</u>

**NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2017 (Contd.)**

	Year ended 31.03.2017 ('000 Rs.)	Year ended 31.03.2016 ('000 Rs.)
18. EMPLOYEE BENEFITS EXPENSES		
Salaries, Bonus & Wages	60,567	63,230
Gratuity (Net) (Paid during the year 1,549)	579	446
Contribution to Provident & Other Funds	1,306	1,341
Directors Remuneration	14,400	16,800
Staff Welfare Expenses	744	962
	<u>77,596</u>	<u>82,779</u>
19. FINANCE COST		
Interest Expenses		
On Term Loans	67,069	69,755
On Cash Credit	9,695	20,080
On Unsecured Loan	16,051	27,164
On Truck / Car Loans	65	33
	<u>92,880</u>	<u>1,17,033</u>
Exchange Difference on Foreign Currency Loans		
Exchange Fluctuation-Repayment of Foreign Currency Loans	9,543	3,271
Amortisation of Translation Difference on Foreign Currency Loans	868	30,685
	<u>10,411</u>	<u>33,956</u>
	<u>1,03,291</u>	<u>1,50,989</u>
20. OTHER EXPENSES		
Consumable Stores - Consumed	11,996	7,537
Excise Duty on Closing Stock	2,085	653
Power consumed	5,08,111	5,07,316
(Less : Subsidy Receivable)	(8,607)	(25,465)
Repair Building	—	436
Repair Machinery	9,198	9,607
Repair Others	—	1,622
Transportation Charges (Net)	16,489	44,698
Selling Expenses	12,866	10,935
Rent	2,194	2,081
Rates & Taxes	8,824	10,412
Insurance	2,063	2,804
Travelling & Conveyance	4,006	4,488

NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2017 (Contd.)

	Year ended 31.03.2017 ('000 Rs.)	Year ended 31.03.2016 ('000 Rs.)
Auditor's Remuneration :		
As Statutory Audit Fees	100	100
As Tax Audit Fees	25	25
Others	41	74
Cost Audit Fees	40	—
Bank Charges	6,301	5,700
Provision for Doubtful Debts	1,500	—
Directors Sitting Fees	292	464
Other Misc Expenses	36,319	40,318
	<u>6,13,843</u>	<u>6,23,806</u>
21. Significant accounting policies		
a) Accounting Convention		
The accompanying financial statements has been prepared as a going concern and in accordance with historical cost convention and on accrual basis using Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and relevant provisions thereof.		
b) Fixed Assets		
Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets. Major improvements in production facilities are capitalized.		
Intangible assets are stated at cost less accumulated amortization and net of impairments, if any.		
Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.		
c) Depreciation		
Depreciation on tangible assets, after retaining residual value at 5% of original cost, is provided on straight line method over the useful life of assets estimated by the Management. Depreciation for assets created / sold / disposed off during a period is proportionately charged. Intangible assets are amortized over their estimated useful lives using straight line method.		

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2017

The Management estimates useful lives for fixed assets as follows¹:

Buildings / Civil Construction :	5 to 30 years
Computers / Networks :	6 years
Electrical Installations (except motors / plants) :	10 years
Furniture, Fixtures, Fittings :	10 years
Motor Vehicles :	8 to 10 years
Office Equipment (other than computers) :	5 years
Plant and Machineries (including cryogenic vessels) :	25 years
Improvements to Plant and Machineries with pluriannual effect :	5 years

¹ Useful lives of assets are estimated based on internal assessment and technical evaluation. The Management believes that the useful lives as given above best represents the period over which the Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of the Schedule II of Companies Act, 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed at periodical intervals.

d) Investments

Investments are stated at cost.

e) Inventories

- i) Raw Material and Trading Goods are valued at cost.
- ii) Finished Goods are valued at lower of cost or net realisable value.
- iii) Stores and spares are valued at cost using the weighted average cost formula.
- iv) Quoted shares and securities are valued at lower of cost or market value.

f) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise. The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2017 (Contd.)

29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortized over the balance period of the long-term monetary items.

g) Retirement Benefit

The accrued liability for gratuity payable to employees (eligible under Company's gratuity policy) has been calculated on the basis of actuarial valuation and provision is carried after adjusting deposits with group gratuity funds in force, if any. In respect of Provident Fund, the contribution is paid to the fund administered by the Government and is charged to revenue.

h) Borrowing Cost

Interest and other cost in connection with the borrowing of the fund to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit and Loss Account.

i) Revenue Recognition

Revenue from the sale of products is recognized on transfer of significant risks and rewards of ownership to customer.

j) Provisions

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best judgment required to settle the obligation at the balance sheet date. The estimate and associated assumptions are reviewed at each balance sheet date and adjusted to current estimates.

k) Deferred Tax

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantiated by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that future taxable income will be available to realize such assets."

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2017 (Contd.)**22. Cash transaction during Demonitisation period :**

	Specified Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	727	834	1,561
Permitted Receipts	33	4,500	4,533
Permitted Payments	—	3,551	3,551
Amount deposited in Banks	760	208	968
Closing cash in hand as on 30.12.2016	—	1,575	1,575

Note : SBN means 'specified bank notes', i.e., Rs. 500 & Rs. 1,000

We have appropriately disclosed the details of Specified Bank Notes held and transacted during the period from 09/11/2016 to 31/12/2016 pursuant to the requirement of Notification G.S.R. 308 dated 30.03.2017. Further we confirm that we have complied with all relevant guidelines / notifications issued by the Reserve Bank of India from time to time in respect of holding and dealing with Specified Bank Notes, and that the Company had proper controls, system and procedures in place for such compliances.

23. Particulars of Raw Materials Consumed :

	2016 - 2017		2015 - 2016	
	Quantity	Value (‘000 Rs.)	Quantity	Value (‘000 Rs.)
Indigenous (Cu.m.)	83,45,243	50,167	36,24,325	26,030
(Kg.)	2,08,760	11,306	16,72,680	8,872
Imported (Kg.)	2,90,300	12,012	87,800	12,039

24. Value of stores & spares consumed

	Value (‘000 Rs.)	Percentage	Value (‘000 Rs.)	Percentage
Indigenous	11,592	96.63%	7,537	100.00%
Imported	404	3.37%	—	—

25. Value of Import on CIF basis :

	2016 - 17 (‘000 Rs.)	2015 - 16 (‘000 Rs.)
a) Capital Goods	—	2,755
b) Trading Goods	—	50,132
c) Spares	—	404
d) Raw Material	—	8,144

26. Earning in Foreign Currency

Revenue from Export on F.O.B. basis	67,642	34,954
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NOTES TO ACCOUNTS as at and for the year ended 31st March, 2017 (Contd.)**27. Expenditure in Foreign Currency**

	2016 - 17 (‘000 Rs.)	2015 - 16 (‘000 Rs.)
Travelling Expenses	684	269
Trading Goods	—	50,132
Raw Materials	8,144	12,272
Spares	404	370
Term Loan Repayment	1,55,211	49,632
Interest & Bank Charges	29,732	26,103
Fees & Subscription	—	195

28. Dividend remittance to Non-resident shareholders NIL NIL

29. There is no undisclosed item of Income or Expenditure which exceeds 1% of the Revenue from operations or Rs. 1,00,000, whichever is higher.

30. Wherever information has been received from the suppliers of their being small scale units, no amount exceeding rupees one lac is due to them for a period exceeding thirty days.

31. Contingent Liabilities :

	2016-17 (‘000 Rs.)	2015-16 (‘000 Rs.)
Claims against the Company not acknowledged as debts :		
Tax Disputes :		
Central Excise Duty & Service Tax	25,865	36,166
Sales Tax & VAT	14,490	18,425
Income Tax	6,027	6,027
Other Matters :		
Preference Dividend	—	—
Supplier Claims	9,450	—
	<u>35,000</u>	<u>35,000</u>
	<u>90,832</u>	<u>95,618</u>

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2017 (Contd.)

Forums where tax disputes are pending are summarized below :

Name of The statute	Nature of Dues	Amount in ('000 Rs.)	Period which the amount relates	Forum where dispute pending
Sales Tax & Value Added Tax Laws	Sales Tax, VAT & Purchase Tax	3,858	2010 - 11	Revision Board C T O ACCT, Telengana
		2,101	2011 - 12	
		1,048	2012 - 13	
		3,181	2013 - 14	
		2,894	2010 - 12	
		1,407	2013 - 15	
Central Excise Act, 1944	Excise Duty	8,874	2003-04 to 2010-11	CESTAT
Central Excise Act, 1944	Excise Duty	15,033	2006-07 to 2011-12	Upto Appellate Commissioners
Finance Act, 1994	Service Tax	1,959	2009-10 to 2011-12	Upto Appellate Commissioners
Income Tax Act, 1961	Income Tax	6,027	Assessment Years 2010-11 to 2012-13	Upto Appellate Commissioners
		46,382		

It is not practicable for the Company to estimate the closure of these issues and consequential timings of cash flows, if any, in respect of the above.

32. (i) A supplier has preferred a claim against the company for about Rs. 35 Million for non-acceptance of delivery which has been disputed by the company. Additionally, the company has filed a suit for damages against the supplier for failure to meet contractual obligations. The matters are pending at various stages before the courts.

(ii) Drug Inspector, Gajuwaka, Andhra Pradesh has initiated legal proceedings against Vizag Unit for allowing a customer to instal Medical Oxygen Storage Tank, owned by the Company, in alleged violations of applicable rules. The Company has deposited a sum of Rs. 40,000/- with the Additional Chief Metropolitan Magistrate, Gajuwaka.

33. Earning per Share :

(i) Profit / (Loss) after Tax attributable to Equity Shareholders (Rs.)	7,381	(1,33,166)
(ii) Weighted average number of Equity Shares of Rs.10 each outstanding at end of the period	65,46,780	65,46,780
(iii) Basic / Diluted Earning per Share (in Rs.)[(ii) / (i)]	1.13	(20.34)

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2017 (Contd.)**34. Related Party disclosure :**

Information in accordance with the requirement of Accounting Standard 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India.

a) List of related parties

Holding Company / Ultimate Holding Company

Air Water Inc., Japan

Associates

Superior Tea & Allied Industries Pvt. Ltd.

Gunjan Suppliers Pvt. Ltd.

Varun Tea Plantations Ltd.

Ellenbarrie Cryogenics Ltd.

Comfort Share Trading Ltd.

Ellenbarrie Tea & Industries Ltd.

Air Water India Pvt. Ltd.

b) Key Management Personnel

Shri Padam Kumar Agarwala - Managing Director

Shri Norio Shibuya - Jt. Managing Director

Shri Shanti Prasad Agarwala - Whole Time Director

Shri Varun Agarwal- Executive Director

Shri K. Srinivas Prasad - Chief Financial Officer

Mrs. Priyanka Jaiswal Gupta - Company Secretary

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2017 (Contd.)c) **Transactions with related parties :**

Nature of Transactions	Holding Company	Associates	Key Management Personnel
Salaries / Remuneration	—	—	16,819
	—	—	(19,010)
Equipment Hiring	—	2,245	—
	—	(2,000)	—
Office Rent & Charges paid	—	216	—
	—	(180)	—
Interest Paid on Loans	—	0	16,051
	—	0	(27,164)
Loans Received during the year	—	—	—
	—	—	—
Guarantees & Collaterals received during the year	5,89,318	—	—
	(43,116)	—	—
Balances Outstanding at the end of the year :			
Advance for Value to be Received	—	9,192	—
	—	(2,261)	—
Trade Payables	—	1,960	0
	—	—	0
Borrowings	—	—	1,18,380
	—	—	(2,08,930)
Guarantees & Collaterals outstanding	15,68,027	—	—
	(17,65,711)	—	—

Note : Figure in brackets relate to corresponding previous year.

35. **Segment Reporting :**

Information in accordance with requirement of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

a) The Company has two primary business segments :

(i) Gases and related products

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2017 (Contd.)

(ii) Sheets

Gases and related products comprise manufacture, sale and trading of Industrial, Medical and Special gases as well as related products.

b) Other represents unallocable items not included in the segments.

c) The Company operates predominantly within the geographical limits of India, and accordingly secondary segment has not been considered.

SEGMENT REPORTING

PARTICULARS	Year ended 31.03.2017 (‘000 Rs.)	Year ended 31.03.2016 (‘000 Rs.)
Revenue External (Net of Excise Duty)		
Gases and related products	10,08,012	8,51,100
Sheets	29,635	1,08,778
TOTAL	10,37,647	9,59,878
Depreciation		
Gases and related products	70,079	71,047
Sheets	—	—
TOTAL	70,079	71,047
Profit/(Loss) Before Tax and Extra Ordinary Items		
Gases and related products	11,744	(1,26,974)
Sheets	(2,046)	(6,192)
TOTAL	7,381	(1,33,166)
Net Fixed Assests		
Gases and related products	16,81,836	16,46,037
Sheets	—	—
TOTAL	16,81,836	16,46,037
Current Assets		
Gases and related products	6,11,612	5,52,979
Sheets	6,387	62,706
TOTAL	6,17,999	6,15,685
Current Liabilities		
Gases and related products	8,41,167	6,72,622
Sheets	—	—
TOTAL	8,41,167	6,72,622
Capital Expenditure		
Gases and related products	77,539	81,673
Sheets	—	—
TOTAL	77,539	81,673



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2017 (Contd.)

36. Valuation of Shares & Securities at Note 10 above contains some shares which are valued at cost in view of suspension of trading of such shares on recognized stock exchange.
37. Irrespective of profit during the year, in view of inability to assess future taxable income, the extent of deferred tax assets which may be adjusted in subsequent years is not ascertainable with virtual certainty at this stage and accordingly in keeping with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the same has not been recognized in these accounts on prudent basis.
38. Minimum Alternative Tax : As the Company has carry forward losses from the previous years, book profit under section 115JB is calculated as NIL. Therefore, no provision have been considered towards Minimum Alternate Tax during the year.
39. Previous year's figures are re-grouped and re-arranged, wherever necessary.

Notes 1 to 39 as above

In terms of my Report of even date annexed herewith

For ABHISHEK KUMAR
Chartered Accountants
Abhishek Kumar
Proprietor
(Membership No. 302000)
19B, Ballygunge Place
Kolkata - 700 019
Dated : 11th August, 2017

On behalf of the Board of Directors

PADAM KUMAR AGARWALA <i>Managing Director</i> (DIN : 00187727)	NORIO SHIBUYA <i>Jt. Managing Director</i> (DIN : 07099850)
PRIYANKA JAISWAL <i>Company Secretary</i> ACS - 32596	K. SRINIVAS PRASAD <i>Chief Financial Officer</i> CA - 055927

**ELLENBARRIE INDUSTRIAL GASES LTD**

(A member of Air Water Inc. Group)

CIN : L24112WB1973PLC029102

Regd. Office : 3A, Ripon Street, Kolkata - 700 016 (West Bengal)

Phone : (033) 2229 2441 Fax : (033) 2249 3396 E-mail : info@ellenbarrie.com

FORM NO. MGT-12**POLLING PAPER**

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER

Sl. No.	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letter)	
2.	Postal Address	
3.	Registered Folio No./Client ID No. (Applicable to investors holding shares in dematerialized form)	
4.	Class of Shares	

I/ We hereby exercise my/ our vote in respect of the Ordinary Resolution(s)/ Special Resolution(s) as specified in the Notice of the Company dated 11th August, 2017 to be passed through Ballot for the business stated in the said Notice by conveying my/ our assent or dissent to the said resolution in the relevant box below :

Sl. No.	RESOLUTIONS	No. of shares held by me	I assent to the Resolution (FOR)	I dissent from the resolution (AGAINST)
1.	Adoption of Audited Financial Statement of the Company for the year ended on 31st March, 2017.			
2.	To appoint a Director in place of Mr. Shanti Prasad Agarwala (DIN No. 00187729) who retires by rotation being eligible, offers himself for appointment.			
3.	To appoint a Director in place of Mr. Padam Kumar Agarwala (DIN No. 00187727) who retires by rotation being eligible, offers himself for appointment.			
4.	Appointment of Mr. Abhishek Kumar, Chartered Accountant as the Statutory Auditor of the Company for the FY 2017-18			
5.	Appointment of Ms. Aastha Shah as an Independent Director on the Board w.e.f 24th March, 2017			
6.	Regularisation of Mr. Hideo Tsutsumi, Additional Director as a director from this Annual General Meeting.			
7.	Appointment of M/s. A. R. Maity & Co. as the Internal Auditors of the Company for FY 2017-18			
8.	Ratification of the fees to be paid to the Cost Auditors of the Company for the FY 2017-18			
9.	Resolution u/s 188 to approve the related party transactions			

Place

Date

E-mail

Tel. No.

Signature of Member/ Beneficial Owner

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FORM NO. MGT-11**PROXY FORM**

[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 :
Folio No/ Client ID :
DP ID :
I/We, being the member of _____ equity shares of the above named company, hereby appoint
Name :
Address :
E-mail id :
Signature :

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the 43rd Annual General Meeting of the company, to be held on the 11th September, 2017 at 11.00 A.M. at "THE CONCLAVE", 216, A.J.C. Bose Road, Kolkata - 700016, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	RESOLUTIONS	Optional	
		For	Against
1.	Adoption of Audited Financial Statement of the Company for the year ended on 31st March, 2017		
2.	To appoint a Director in place of Mr.Shanti Prasad Agarwala (DIN No. 00187729) who retires by rotation being eligible, offers himself for appointment.		
3.	To appoint a Director in place of Mr.Padam Kumar Agarwala (DIN No. 00187727) who retires by rotation being eligible, offers himself for appointment.		
4.	Appointment of Mr. Abhishek Kumar, Chartered Accountant as the Statutory Auditor of the Company for the FY 2017-18		
Special Business :			
5.	Appointment of Ms.Aastha Shah as an Independent Director on the Board w.e.f. 24th March, 2017		
6.	Regularisation of Mr. Hideo Tsutsumi, Additional Director as a Director from this Annual General Meeting.		
7.	Appointment of M/s. A. R. Maity & Co. as the Internal Auditors of the Company for FY 2017-18.		
8.	Ratification of the fees to be paid to the Cost Auditors of the Company for the FY 2017-18		
9.	Resolution u/s 188 to approve the related party transactions		

Signed this..... day of..... 2017

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Please
Affix
Revenue
Stamp

Note : 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 Meeting.
A Proxy need not be member of the Company.