



# **ELLENBARRIE INDUSTRIAL GASES LTD**

**(A member of Air Water Inc. Group)**

## **DIRECTORS**

Shri Shanti Prasad Agarwala, *Whole-time Director*  
Shri Padam Kumar Agarwala, *Managing Director*  
Shri Varun Agarwal, *Executive Director*  
Shri Manas Kumar Dutta, *Independent Director*  
Shri Prabir Kumar Dutt, *Independent Director*  
Shri Swapan Kumar Bhowmik, *Independent Director*  
Shri Masato Machida, *Director*  
Shri Shunichi Takahashi, *Director*  
Shri Ryosuke Matsubayashi, *Director*

## **AUDITORS**

M/s. A. K. Kumar & Co.  
*Chartered Accountant*

## **COMPANY SECRETARY cum Compliance Officer**

Ms. Priyanka Jaiswal

## **REGISTERED OFFICE**

3A, Ripon Street  
Kolkata - 700 016

## **FACTORY**

### **Kalyani Works**

Block 'D', Plot No. - 25  
Kalyani Industrial Estate  
P.O. : Kalyani, Dist. : Nadia  
West Bengal

### **Uluberia Works**

NH-6, Bombay Road, P.O. : Uluberia  
Dist. : Howrah  
West Bengal

### **Parwada Works**

Plot No. 57A, J.N. Pharmacy, Parwada  
Visakhapatnam, Andhra Pradesh

## **PRINCIPAL BANKER**

Bank of Baroda

## **SHARE TRANSFER AGENT**

ABS Consultant Pvt. Ltd.  
99, Stephen House, 6th Floor  
4, B.B.D. Bag (East)  
Kolkata - 700 001

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## NOTICE

Notice is hereby given that the 40th Annual General Meeting of Ellenbarrie Industrial Gases Limited will be held on Saturday the 20th September, 2014 at 3.00 P.M. at The Conclave "Rose Room" 216, A.J.C. Bose Road, Kolkata - 700 017 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To elect and appoint Director in place of those retiring by rotation.
3. To appoint M/s. A. K. Kumar & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the Financial Year ending 31st March, 2015.

### SPECIAL BUSINESS

4. 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 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, Mr. Swapan Kumar Bhowmik (DIN : 00081626), a Non-Executive Director of the Company who has submitted a declaration that he 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 May 1, 2014.”
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 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, Mr. Prabir Kumar Dutt (DIN : 00026833), a Non-Executive Director of the Company who has submitted a declaration that he 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 May 1, 2014.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**NOTICE (Contd.)**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 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, Mr. Manas Kumar Dutta (DIN : 01180693), Director of the Company who retire by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from April 1, 2014.”

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

“RESOLVED THAT Mr. Shunichi Takahashi, who was appointed as Additional Director with effect from 5th November, 2013 on the Board of the company in terms of Section 260 of the Companies Act, 1956 and who 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, 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.”

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

“RESOLVED THAT Mr. Masato Machida, who was appointed as Additional Director with effect from 5th November, 2013 on the Board of the company in terms of Section 260 of the Companies Act, 1956 and who 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, 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.”

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

“RESOLVED THAT Mr. Ryosuke Matsubayashi, who was appointed as Additional Director with effect from 5th November, 2013 on the Board of the company in terms of Section 260 of the Companies Act, 1956 and who 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, 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.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION :

“RESOLVED THAT pursuant to Section 41 and other applicable provisions of the Companies Act, 2013, if any, the consent of the members of the company be and are hereby accorded to alter the Articles of Association of the company”.



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## NOTICE (Contd.)

“RESOLVED FURTHER THAT the existing Article of Association of the Company be substituted with a new set of Articles which were authenticated by the Chairman of the Board Meeting held on 5th November, 2013.

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to obtain requisite approvals and permissions and to accept modifications/alterations in the above resolution, if any, and to do all such acts, things or deeds in connection therewith and incidental thereto.”

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION :

Appointment and remuneration payable to Mr. Padam Kumar Agarwala as the Managing Director of the Company.

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Company hereby approves the terms of appointment and remuneration payable to Sri Padam Kumar Agarwala, as the Managing Director of the Company for a period of 3 (three) years with effect from 1st November, 2013 on terms set out in the Explanatory Statement annexed hereto as per the Agreement entered into between the Company and Sri Padam Kumar Agarwala, a copy whereof, initialed by Sri Manas Kumar Dutta, Chairman of the Remuneration committee for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby also specifically approved.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Padam Kumar Agarwala, as Managing Director of the company shall be treated as minimum remuneration as provided under the Act.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed between the Board of directors and Sri Padam Kumar Agarwala from time to time and the terms of the aforesaid agreement shall be suitable modified to give effect to such alteration/ or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling stipulated in Schedule V appended to the Act.

“RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company.”

**NOTICE (Contd.)**

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION :

Appointment and remuneration payable to Mr. Shanti Prasad Agarwala as the Whole Time Director of the Company.

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Company hereby approves the terms of appointment and remuneration payable to Sri Shanti Prasad Agarwala, as the Whole Time Director of the Company for a period of 3 (three) years with effect from 1st November, 2013 on terms set out in the Explanatory Statement annexed hereto as per the Agreement entered into between the Company and Sri Padam Kumar Agarwala, a copy whereof, initialed by Sri Manas Kumar Dutta, Chairman of the Remuneration committee for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby also specifically approved.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Shanti Prasad Agarwala, as Whole Time Director of the company shall be treated as minimum remuneration as provided under the Act.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed between the Board of directors and Sri Shanti Prasad Agarwala from time to time and the terms of the aforesaid agreement shall be suitable modified to give effect to such alteration/ or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling stipulated in Schedule V appended to the Act.”

“RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company.”

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as SPECIAL RESOLUTION :

Appointment and remuneration payable to Mr. Varun Agarwal as an Executive Director of the Company.

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Company hereby approves the terms of appointment and remuneration payable to Sri Varun Agarwal, as the Executive of the Company for a period of 3 (three) years with effect from 1st November,



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## NOTICE (Contd.)

2013 on terms set out in the Explanatory Statement annexed hereto as per the Agreement entered into between the Company and Sri Varun Agarwal, a copy whereof, initialed by Sri Manas Kumar Dutta, Chairman of the Remuneration committee for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby also specifically approved.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Varun Agarwala, as Executive Director of the company shall be treated as minimum remuneration as provided under the Act.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed between the Board of directors and Sri Varun Agarwal from time to time and the terms of the aforesaid agreement shall be suitable modified to give effect to such alteration / or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling stipulated in Schedule V appended to the Act.”

“RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company.”

14. To consider and if thought fit, to pass with or without modification(s) the following resolution as ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Cost (Audit and Auditors) rules, 2014, M/s. Datta, Ghosh, Bhattacharya & Co., Cost Auditors be appointed as Cost Auditor of the Company for the Financial year 2014-15 at a remuneration of Rs. 30,000/- plus tax and out of pocket expenses.

Registered Office :  
3A, Ripon Street  
Kolkata - 700 016  
Dated : 13th day of August, 2014

By Order of the Board  
For Ellenbarrie Industrial Gases Limited  
PRIYANKA JAISWAL  
Company Secretary

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### NOTES :

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 related to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.

**NOTICE (Contd.)**

2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
3. Members are requested to notify the change in address, if any, to allow the company to have a better communication with them.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 4 to 6. The relevant details of Directors seeking appointment / re-appointment under item no. 4, 5 and 6 of this Notice are annexed separately with this report.
5. Member / Proxies should fill in the 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 in the attendance slips with complete details including the folio no. annexed to the proxy form and handover the slip at the entrance of the place of meeting.
6. 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 who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', being sent with the Annual Report, to M/s. ABS Consultants 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.
7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 08.08.2014, are entitled to vote on the Resolutions set forth in this



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## NOTICE (Contd.)

Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means the book closure date is 13.09.2014 till 20.09.2014 (both days inclusive). The e-voting period will commence at 9.00 A.M. on 14.09.2014 and will end at 6.00 P.M. on 16.09.2014. The Company has appointed Ms. Surbhi Sanganeria, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

8. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
9. 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.
10. In order to support the initiative of Ministry of Corporate Affairs ("MCA") Green initiative in Corporate Governance' allowing paperless compliances by the Companies through electronic mode. The shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Members, who have not registered their e-mail addresses with the concerned Depository Participants (DPs)/ Registrar and Share Transfer Agents (RTA)/Company for receiving all Reports, Accounts, Notices etc. in electronic mode. Even after registering for e-communication, the shareholders of the Company shall be entitled to receive such communication in physical form, upon request.
11. Pursuant to Clause 49(IV) (G)(i) of the listing Agreement with the Stock Exchanges, the details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are provided as under :

Name of Director	Mr. Manas Kumar Dutta
Date of Birth	1st September, 1933
Date of Appointment	05-10-2006
Expertise in specific functional area	Chartered Accountant
Qualification	FCA
Shareholding in the Company	Nil
List of other Public Limited Companies in which Directorship held	1) Krico Traders Ltd. 2) Varun Tea Plantations Limited 3) Comfort Share Trading Limited



**NOTICE (Contd.)**

Chairman/Member of  
the Committees of  
the Board across all  
Public Companies in  
which he is Director

Nil

Chairman/Member of  
the Committees of  
the Board of  
Directors of the  
Company

Chairman of Audit Committee and  
Members of Remuneration Committee

**12. E-VOTING PROCEDURE**

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under :  
The notice of the 40th 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 40th Annual General Meeting (AGM) :
  - a. Log on to the e-voting website : [www.evotingindia.com](http://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](http://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 :



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## NOTICE (Contd.)

- 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 mandatory enter their login password in the new password field.
- Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e- voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. 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.
- k. Click on the relevant EVSN “Ellenbarrie Industrial Gases Limited” for which you choose to vote.
- l. 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.
- m. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- n. 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.
- o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- q. 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.
- r. • Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

**NOTICE (Contd.)**

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/ Custodian, if any, 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. The e-voting period begins from 14.09.2014 from 9.00 A.M. and ends on 16.09.2014 till 6.00 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 of 08.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.  
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. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of 08.08.2014.
- V. Ms. Surbhi Sanganeria, A Practicing Company Secretary, C. P. Membership no. 6530 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.  
The Results shall be declared on or after the 40th Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two (2) days of passing of the resolutions at the 40th Annual General Meeting (AGM) of the Company on 20th September, 2014 and communicated to the Stock Exchange(s).

Registered Office :  
3A, Ripon Street  
Kolkata - 700 016  
Dated : 13th day of August, 2014

By Order of the Board  
For Ellenbarrie Industrial Gases Limited  
PRIYANKA JAISWAL  
Company Secretary



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## **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 Nos. 4 and 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. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. S. K. Bhowmik and Mr. Prabir Kumar Dutt, being eligible, offer themselves 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 Mr. S. K. Bhowmik and Mr. Prabir Kumar Dutt as Independent Directors on the Board of the Company for a term up to five consecutive years, commencing from 1st May, 2014.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item nos. 4 and 5 for approval of the Members.

### **Item No. 6**

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. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This

**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 (Contd.)**

is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Manas Kumar Dutta, being eligible, offer themselves 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 Mr. Manas Kumar Dutta as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 1st April, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in the Annual Report.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 6 for approval of the Members.

**Item Nos. 7 to 9**

Mr. Shunichi Takahashi, Mr. Masato Machida and Mr. Ryosuke Matsubayashi, additional directors of the company were appointed on the Board with effect from 5th November, 2013 pursuant to Section 260 of the Companies Act, 1956. Their term of office expires at the commencement of this 40th Annual General Meeting. A notice of candidature for their 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 Director for his appointment, is concerned or interested, financially or otherwise, in this Resolutions. The Board commends the Ordinary Resolutions as set out at item nos. 7 to 9 for approval of the Members.

**Item No. 10**

The Companies Act, 2013 has come into force with effect from 01.04.2014. The Article of Association needs to be revised as per the new Act. The alteration of Article of Association has been duly authorized and approved by the board at their meeting held on 05.11.2013.

Your directors recommend this resolution for your approval.

None of the Directors of the Company and / or their relatives are concerned or interested either financially or otherwise in the proposed shifting except to the extent of their respective shareholding, if any. No Key-Managerial Personnel (KMP) is interested or concerned in the proposed resolution except to the extent of their shareholding.



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## 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 (Contd.)

### Item No. 11

The Board of Directors based on the recommendation made by the Remuneration Committee, at their meeting held on 5th November, 2013 have approved the remuneration package including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year and to appoint Shri Padam Kumar Agarwala as Managing Director of the company for a period of 3 years commencing from 1st November, 2013, pursuant to the applicable provisions of the Companies Act, 2013 on the following remuneration”

a) Salary :

Rs. 3,50,000/- per month.

b) Perquisites :

Perquisites applicable to the Managing Director are as follows :

- i. Reimbursement of Medical Expenses : Rs. 5,000/- p.m.
- ii. Reimbursement of Premium of Health Insurance : Rs. 1,000/- p.m.
- iii. L.T.A. Self & Family : Rs. 1,00,000/- p.a.
- iv. Phone facility : Actuals
- v. Fees of Clubs : Maximum 2 clubs
- vi. P.F. Pension, Gratuity : As per statutory provisions
- vii. Company Car with Driver for official purpose.

c) Minimum Remuneration :

Where in any financial year during the currency of the tenure of Shri Padam Kumar Agarwala as the Managing Director, the company has no profits or its profits are inadequate, the Company will consider the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under the Schedule V and other applicable provisions of the Companies Act, 2013.

d) General :

- i. He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii. Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon by him by the Board.
- iii. Basic Salary or part thereof shall be paid directly to him, after all statutory deductions, in India.

**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 (Contd.)**

- iv. The appointment is terminable by either party giving the other 6 months notice in writing without assigning any reason and without liability to pay any compensation.

However, as noted from the recent quarterly results, the Company's profits are inadequate to remunerate Shri Padam Kumar Agarwala, as a Managing Director for his current tenure. The re-appointment and payment of remuneration to Managing Director requires approval of Shareholders by way of a Special Resolution at the General Meeting of the Company. The Board recommends the resolution for your approval in the interest of the Company.

None of the Director except Shri Padam Kumar Agarwala, Shri Shanti Prasad Agarwala and Shri Varun Agarwal are either directly or indirectly, concerned or interested in the proposed resolution.

**Item No. 12**

The Board of Directors based on the recommendation made by the Remuneration Committee, at their meeting held on 5th November, 2013 have approved the remuneration package including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year and to appoint Shri Shanti Prasad Agarwala as Whole Time Director of the company for a period of 3 years commencing from 1st November, 2013, pursuant to the applicable provisions of the Companies Act, 2013 on the following remuneration”

- e) Salary :

Rs. 3,50,000/- per month.

- f) Perquisites :

Perquisites applicable to the Managing Director are as, follows :

viii. Reimbursement of Medical Expenses : Rs. 5,000/- p.m.

ix. Reimbursement of Premium of Health Insurance : Rs. 1,000/- p.m.

x. L.T.A. Self & Family : Rs. 1,00,000/- p.a.

xi. Phone facility : Actuals

xii. Fees of Clubs : Maximum 2 clubs

xiii. P.F. Pension, Gratuity : As per statutory provisions

xiv. Company Car with Driver for official purpose.

- g) Minimum Remuneration :

Where in any financial year during the currency of the tenure of Shri Padam Kumar Agarwala as the Managing Director, the company has no profits or its profits are inadequate, the Company will consider the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under the Schedule V and other applicable provisions of the Companies Act, 2013.



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## 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 (Contd.)

h) General :

- i. He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii. Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon by him by the Board.
- iii. Basic Salary or part thereof shall be paid directly to him, after all statutory deductions, in India.
- iv. The appointment is terminable by either party giving the other 6 months notice in writing without assigning any reason and without liability to pay any compensation.

However, as noted from the recent quarterly results, the Company's profits are inadequate to remunerate Shri Shanti Prasad Agarwala, as a Whole Time Director for his current tenure. The re-appointment and payment of remuneration to Whole Time Director requires approval of Shareholders by way of a Special Resolution at the General Meeting of the Company. The Board recommends the resolution for your approval in the interest of the Company.

None of the Director except Shri Padam Kumar Agarwala, Shri Shanti Prasad Agarwala and Shri Varun Agarwal are either directly or indirectly, concerned or interested in the proposed resolution.

### Item No. 13

The Board of Directors based on the recommendation made by the Remuneration Committee, at their meeting held on 5th November, 2013 have approved the remuneration package including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year and to appoint Shri Varun Agarwal as an Executive Director of the company for a period of 3 years commencing from 1st November, 2013, pursuant to the applicable provisions of the Companies Act, 2013 on the following remuneration”

i) Salary :

Rs. 3,50,000/- per month.

j) Perquisites :

Perquisites applicable to the Managing Director are as follows :

- xv. Reimbursement of Medical Expenses : Rs. 5,000/- p.m.
- xvi. Reimbursement of Premium of Health Insurance : Rs. 1,000/- p.m.
- xvii. L.T.A. Self & Family : Rs. 1,00,000/- p.a.
- xviii. Phone facility : Actuals



**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 (Contd.)**

- xix. Fees of Clubs : Maximum 2 clubs
- xx. P.F. Pension, Gratuity : As per statutory provisions
- xxi. Company Car with Driver for official purpose.

k) Minimum Remuneration :

Where in any financial year during the currency of the tenure of Shri Varun Agarwal as the Executive Director, the company has no profits or its profits are inadequate, the Company will consider the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under the Schedule V and other applicable provisions of the Companies Act, 2013.

l) General :

- i. He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii. Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon by him by the Board.
- iii. Basic Salary or part thereof shall be paid directly to him, after all statutory deductions, in India.
- iv. The appointment is terminable by either party giving the other 6 months notice in writing without assigning any reason and without liability to pay any compensation.

However, as noted from the recent quarterly results, the Company's profits are inadequate to remunerate Shri Varun Agarwal, as an Executive Director for his current tenure. The re-appointment and payment of remuneration to Executive Director requires approval of Shareholders by way of a Special Resolution at the General Meeting of the Company. The Board recommends the resolution for your approval in the interest of the Company.

None of the Director except Shri Padam Kumar Agarwala, Shri Shanti Prasad Agarwala and Shri Varun Agarwal are either directly or indirectly, concerned or interested in the proposed resolution.

**Item No. 14**

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



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## DIRECTORS' REPORT

### To THE MEMBERS

Your Directors take pleasure in presenting the Fortieth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2014

### FINANCIAL RESULTS

The highlights of the financial results of the Company for the year ended 31st March, 2014 are as under :

(Rs. in lacs)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Revenue from operations	6785.61	7937.99
Other Income	237.45	138.63
Profit before Taxation	(2781.30)	56.27
Tax Expense	—	10.72
Profit for the year after tax	(2717.24)	45.55
Earnings per Share of Rs. 10/- each	(41.51)	0.70

### DIVIDEND

In view of the loss incurred for the Financial Year 2013-14, the Board does not declare any dividend for the given financial year.

### OPERATIONS

“During the financial year 2013-14 sales of manufactured goods (net of excise) registered a decline of 13% over that of 2012-13, sale of traded goods registered a decline of 27%. During the same period Earnings Before Interest, Tax & Depreciation Allowance (EBITDA) registered a decline of 50% from Rs. 1813 Lacs to Rs. 906 Lacs owing to cost increases, adverse economy of scale and other macro economic factors. Total Finance cost increased by a massive 193% mainly due to recognition of loss on repayment of foreign currency borrowings during the year, eventually your company reporting a net loss for the year.

Following the business restructuring carried out during the year by way of acquisition of 51% of shareholding of the company by Air Water Inc. of Japan, the company recognized the need for revaluation of assets, especially its landed assets, to represent a fair assessment of the current worth. Accordingly, the Board appointed registered Valuers to evaluate the fair value of the Freehold and Leasehold interests in lands of the company and thus an amount of Rs 2320 lacs were credited to the Revaluation Reserves”.

## **DIRECTORS' REPORT (Contd.)**

### **SUBSIDIARY COMPANIES**

Your Company does not have any subsidiary company as on date.

### **CHANGE IN COMPANIES ACT**

The Companies Act, 2013 ('the Act') and the rules made thereunder has come into being replacing the existing Companies Act, 1956 and a large portion of the Act has already become effective. The Company has already formed / renamed various Committees of the Board in accordance with the requirements of the Act. The Terms of reference for various Committees of the Board have also been modified and adopted as per the provisions prescribed in the Act. Your Company is taking necessary steps to ensure compliance with the requirements of the new Act.

The Ministry of Corporate Affairs has vide General Circular 08/2014 No. 1/19/2013-CL-V dated 04.04.2014 notified that the Financial Statements and documents required to be attached thereto, Directors Report and Auditors Report in respect of the Financial years that commenced earlier than 01.04.2014 shall be governed by the relevant provisions of the Companies Act, 1956 and the rules made thereunder. Consequently the Financial Statements, Directors Report & Auditor's Report for the Financial year 2013-14 have been prepared in accordance with the provisions of the Companies Act, 1956 and appropriate references have been made in respect of the Act wherever required.

### **CORPORATE GOVERNANCE**

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. As required under Clause 49 of the Listing Agreement of Stock Exchanges, a report on Corporate Governance confirming compliance with the requirements of the Corporate Governance are annexed as part of this Report.

### **DEPOSITORY SYSTEM**

As the members are aware, your Company's shares are tradeable compulsorily in electronic form. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares either in National Securities Depository Ltd. or Central Depository Services (India) Ltd.

### **DIRECTORS**

The Companies Act, 2013 ('the Act') contains provisions for certain class of companies with regard to composition of the Board of Directors and their appointment / reappointment. Accordingly your Company being listed company is required to have at least one third of the total number of Directors as Independent Directors in accordance with section 149(4) of the act and not less than two-thirds of the total number of Directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation. At every Annual General Meeting one-third of the directors as are liable to retire by rotation shall retire from office. The Independent Directors shall not be liable to retire by rotation.



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## **DIRECTORS' REPORT (Contd.)**

Accordingly the Board have proposed the names of Mr. Manas Kumar Dutta, Mr. Swapan Kumar Bhowmik and Dr. Prabir Kumar Dutt who has confirmed to the Company that they meet the criteria of Independence as specified in section 149(69) of the Act, to be appointed as Independent Directors within the meaning of the act. The necessary resolutions for appointment of Independent Directors would be proposed in the ensuing Annual General Meeting. After such appointment the Independent Directors would no longer be liable to retire by rotation during their tenure.

Shri Ranesh Bhowmick, Director of the Company resigned from the Board due to his advanced age and ill health. The resignation of Shri Bhowmick was noted in the Board Meeting held on 09.05.2014. Shri Ajit Khandelwal, also resigned from the Board due to his pre-occupation and the resignation was noted in the Board Meeting held on 13.08.2014. The Board of Directors wish to place on record their deep sense of appreciation for the invaluable contributions of Shri Ranesh Bhowmick and Shri Ajit Khandelwal towards growth and prosperity of the Company.

The Board recommends the appointment of above directors with a view to avail their valuable advices and wise counsel. A brief profile of the above Directors seeking appointment /re-appointment required under Clause 49 of the Listing Agreement, is given in the Notice of AGM.

### **AUDITORS**

M/s. A. K. Kumar & Co., Chartered Accountants, Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2013-14. The Company has received a letter from them to the effect that their reappointment, if made, would be within the limits prescribed under the Companies Act, 2013 and that they are not disqualified for re-appointment.

As per the requirement of Central Government your Company carries out an Audit of cost records every year. The Cost Audit Report for the financial year 2013-2014 has been filed within due date.

In accordance with section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2014-15 would be placed at the ensuing the Annual General Meeting for ratification.

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

Additional information as required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the prescribed form in Annexure "A" to the Report.

### **PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there is no employee being paid the amount as mentioned in this rule.

## **DIRECTORS' REPORT (Contd.)**

### **KEY MANAGERIAL PERSONNEL**

The Board of Directors of your Company has approved continuance of office of Shri Padam Kumar Agarwala as the Managing Director, Shri Shanti Prasad Agarwala as the Whole Time Director, Shri Varun Agarwal, Executive Director & Ms. Priyanka Jaiswal as the Company Secretary and act as 'Key Managerial Personnel' in terms of the requirements of the Companies Act, 2013.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under :

- i) that in the preparation of Annual Accounts, the applicable Standards have been followed along with proper explanations for material departures.
- ii) that 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 and of the profit of the Company for that period.
- iii) that 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.
- iv) that the annual accounts have been prepared on a going concern basis.

### **ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

### **APPRECIATION**

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.



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## **DIRECTORS' REPORT (Contd.)**

### **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.

### **ACKNOWLEDGMENT**

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.

3A, Ripon Street  
Kolkata - 700 016  
Dated : 13th day of August, 2014

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

## **ANNEXURE - 'A' TO THE DIRECTORS' REPORT**

**PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :**

### **A. Conservation of Energy**

#### **a. Energy Conservation measures taken :**

- i. Electricity being the major cost factor, focus on continuous improvement of the plant so as to attain optimum energy consumption.
- ii. Steps taken towards improvement of power factor and load factor with a view to achieve optimum power efficiency.

#### **b. Additional investments and proposal for reduction of consumption of energy :**

New investment in the upcoming air separation plant in Hyderabad is designed to produce air gases with lowest possible power consumption.

#### **c. Impact of the above Measures :**

The above measures will have a positive impact on the electrical power usage and will lead to significant reduction in specific power usage per unit of output.

### **B. Technology Absorption**

Company has plans to explore new applications of gases to address customer needs in different industrial sectors. Being a member of Air Water Inc. Group, the Company has opportunity to access various Research & Development carried out by the group in Japan and other parts of the world.

### **C. Foreign Exchange Earnings & Outgo**

Company continues to leverage its past experience in the gas industry to explore possible export opportunities to neighboring countries.

Total Foreign Exchange used during the year towards import of goods and services were Rs. 935 lakhs and total foreign exchange earned stood at Rs. 200 lakhs.



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## ANNEXURE - 'A' TO THE DIRECTORS' REPORT

The Board of Directors  
ELLENBARRIE INDUSTRIAL GASES LTD.  
3A, Ripon Street  
Kolkata - 700 016

### 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 :
- (i) These statements do not contain any materially unfair statement or any material fact or statements that might be misleading.
  - (ii) 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 :
- (i) Significant changes in internal control during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (iii) 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 : 13th day of August, 2014

PADAM KUMAR AGARWALA  
Managing Director

T. GHOSH  
Manager Accounts



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## 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 2013 - 14 :

#### I. Economic Overview & Outlook :

India's GDP growth has slowed down to 5% in 2013 on the face of rising inflation and tight monetary controls. This has led to weak domestic demand, for manufacturing products. Going forward Indian economy is widely expected to grow at 5%. Steel Sector which recorded 3.3% growth during the 2013 - 14 is expected to keep similar momentum in 2014-15. Automotive sector which recorded - 6% (negative) growth during 2013-14 is expected to achieve 3-4% growth next year, Similarly, construction industry is expected to grow at 5% as against 1.9% during 2013 - 14.

#### II. Operation and Sales Performance :

		Financial Year 2013-2014		Financial Year 2012-2013		%Increase/(Decrease)	
Products	Units	Production	Sales	Production	Sales	Production	Sales
Oxygen	cu.m	1,94,92,831	1,93,64,316	2,44,34,162	2,08,98,993	(20.2)	(7.3)
Nitrogen	cu.m	2,91,01,638	2,88,95,621	2,84,91,011	2,60,87,513	2.1	10.8
Argon	cu.m	4,09,425	4,07,203	7,87,973	6,35,486	(48.0)	(35.9)
Acetylene	cu.m	91,248	91,220	94,179	84,045	(3.1)	8.5
Medical Oxygen	kg.	32,07,428	32,00,680	23,11,666	23,40,306	38.7	36.8
Carbon- di-Oxide	cu.m	11,23,788	11,29,220	12,53,414	12,24,325	(10.3)	(7.8)
Gas Mixture	cu.m	1,86,904	1,84,269	73,216.08	94,936	155.3	94.1

The economic downturn and the associated steel and other industrial sector under performance had predictable effect on the operations of your company. Your Company took this opportunity to consolidate its customer base and optimize its cost base. Positive outcomes of these actions are likely to follow in the forth-coming quarters.



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Considering the sluggish industrial activities in Eastern & Southern India your company has had focused on valued added products so as to partially compensate losing volumes in major products.

### III. Financial Performance :

EIGL recorded negative PBT of Rs. 2781 lacs during Financial Year 2013 - 14 (previous year profit Rs. 56 lacs) breaking the continuing trend of profitability of more than 10 years mainly owing to twin effects of lowering activities and sharply increased finance cost. The analysis of major items of the financial statement is discussed as under :

#### a) Net Sales & other Operating Income : (Rs. lacs)

	Financial Year 2013-2014	Financial Year 2012-2013	Change %
Income			
Revenue from Operations	6,786	7,938	(15%)
Other Income	237	139	71%
Total Revenue	7,023	8,077	(13%)

Sales volumes were sharply lower during the year mainly for Oxygen and Argon, partially compensated by rising volumes for Nitrogen and medical oxygen. Other operating Income registered increase of 71% owing to interest on fixed deposit with banks marked as Margin Money and increase in profit on sale of fixed assets.

#### b) Expenses : (Rs. lacs)

	Financial Year 2013-2014	Financial Year 2012-2013	Change %
Expenses			
Cost of Materials Consumed	306	466	(34%)
Material Purchased for Trading	953	1,521	(37%)
Changes in Inventories of Stock-in-Trade	32	(78)	(141%)
Employee Benefits Expense	516	442	17%
Finance Costs	2,939	1,004	193%
Depreciation and Amortization Expense	747	753	(1%)
Other Expenses	4,312	3,914	10%
Total Expenses	9,804	8,020	22%

## **MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

Materials consumed were lower because of reduced activity, change in product mix and reduced dependence on bought - in products.

Trading materials purchased reduced due to sharp reduction in trading volumes.

Employee Benefit Expenses registered increase mainly owing to hiring of high skilled manpower to address future growth needs.

Finance Cost increased sharply with recognition of exchange fluctuation on retirement of foreign currency borrowings and sharp depreciation of Indian Rupee versus US Dollar.

Other Expenses have increased mainly because of more than 20% increase in power tariff in both Eastern and Southern regions where EIGL have operations.

### **IV. Strategy, Risks, Opportunities & Threats :**

Air Water Inc. has acquired majority holding of the company during the year. EIGL's reinforced strategy is to continue building capacities by being competitive and to deliver products of international standards. To this end EIGL stresses on better understanding of customer needs, optimize its cost structure and strengthen its performance.

EIGL 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 readjustment of customer base, product profile and cost structure.
- Growth projects - EIGL is currently installing an air separation plant in Hyderabad to address the needs of that region. The project is exposed to risks like time and cost and regulatory approvals.
- 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. 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. The company management has put in place a risk management policy to respond to volatility in foreign currencies.

### **V. Cautionary Statement :**

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.



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## REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE

Sound Corporate Governance practices are guided by culture, conscience and mind set 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 GOVERNANCE :**

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. It has become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance , Auditors and the senior management. In your Company, employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

#### **CORPORATE GOVERNANCE PRACTICES :**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Company's Corporate Governance practices seek to go beyond the letters to spirit of law and the regulatory requirements and with a view to ensuring commitment to transparent, law abiding behaviour and good Corporate Governance, the Company has put in place the following practices :

- a) **Code of Conduct** : The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty, integrity and law abiding behaviour and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.
- b) **Ethical Policies** : We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.
- c) **Business Policies** : The Business Policies of Company ensures transparency and accountability to its stakeholders. The policies provide motivation and support for professional development of employees, fair market practices and high level of integrity in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.

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

- d) **Prohibition of Insider Trading** : The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public.
- e) **Risk Management** : The risk management is an important mechanism not only to exploit the best available opportunity but also to counter threat, if any.
- f) **Safety, Health and Environment Policy** : The Company is committed to conduct its business in a manner that values the environment and helps in ensuring the safety and health of all its employees and society at large. The policy is aimed towards strengthening pollution prevention and control measures.
- g) **Equal Employment Opportunity** : The employment policy of the Company assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of race, colour, religion, gender, age, marital status, disability, national origin or any other factor made unlawful by applicable laws and regulations. The policy also ensures fair and respectful treatment of all fellow employees.

**2. BOARD OF DIRECTORS**

**Board composition and category of Directors**

The Company has optimum composition of Executive and Non-Executive and Independent Directors in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges. The Board as on 31st March, 2014, consists of 9 directors out of which 3 directors are Independent Directors. The composition and category of the directors on the Board are as follows :

Category	Name of the Director
Promoter Director	Mr. Shanti Prasad Agarwala, WTD Mr. Padam Kumar Agarwala, MD Mr. Varun Agarwal, Executive Director
Non-Executive Director	Mr. Shunichi Takahashi Mr. Masato Machida Mr. Ryosuke Matsubayashi
Independent Director	Mr. Manas Kumar Dutta Dr. Ranesh Bhowmick Mr. Ajit Khandelwal



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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 as Father, son.

### Details of the Board Meetings

Thirteen Board meetings were held during the period 01.04.2013 to 31.03.2014. 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 dates on which the Board Meetings were held are as follows :

08.04.2013, 14.05.2013, 03.06.2013, 12.06.2013, 11.07.2013, 13.08.2013, 05.09.2013, 19.09.2013, 10.10.2013, 21.10.2013, 05.11.2013, 28.11.2013 and 14.02.2014

**Attendance at aforesaid Board Meetings, 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 :**

Director	Board Meeting Attended	Attended last AGM held on 30.09.2013	No. of Directorship in other Companies <sup>1</sup>	No. of Membership in Committees of Directors in other Companies <sup>2</sup>
Mr. Shanti Prasad Agarwala	13	Yes	10	—
Mr. Padam Kumar Agarwala	12	Yes	8	—
Mr. Varun Agarwal	4	Yes	2	—
Mr. Shunichi Takahashi*	2	No	—	—
Mr. Masato Machida*	2	No	—	—
Mr. Ryosuke Matsubayashi*	2	No	—	—
Mr. Manas Kumar Dutta	13	Yes	4	—
Mr. Ajit Khandelwal	11	Yes	6	—
Dr. Ranesh Bhowmick	4	No	—	—

\*Became additional directors w.e.f. 05.11.2013

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

1. *The directorship, held by Directors as mentioned above, do not include Alternate directorship and Directorships held in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.*
2. *The Section 165 of the Companies Act, 2013, which is analogous to Section 275, 276, 277, 278 and 279 of the Companies Act, 1956, has been made effective from 1st April, 2014. The number of companies in which a person can hold office of director, etc. is different from what was there in the Companies Act, 1956. Since the Sub-section (3) of Section 165 of the Companies Act, 2013 gives a grace period of one year to any person holding office as director in companies more than the limits as specified under Section 165(1), the position as tabulated above has been prepared in terms of the relevant provisions of the Companies Act, 1956.*
3. *In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Ellenbarrie Industrial Gases Limited) have been considered.*

### **Selection of Independent Directors**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

### **Non executive directors' compensation and disclosures**

All fees/compensation, paid to non-executive directors, including independent directors, had been fixed by the Board of Directors of the Company. Since payment of sitting fees to non-executive directors, was well within the limits prescribed under the Companies Act, 1956 for payment of sitting fees, no previous approval was sought for by the shareholders of the Company.

The Board has periodically reviewed compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

### **Code of Conduct**

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.



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

### **Board Procedure**

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Agenda of the meeting is circulated well in advance to the Board members backed by comprehensive background information to enable them to take appropriate decisions. In addition to the information required under Annexure 1A to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keep the Board apprised of the overall performance of the Company.

### **3. AUDIT COMMITTEE**

The Company has a qualified and independent Audit Committee. The terms of reference, role, scope and composition of Audit Committee are in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, the statutory and internal auditors and Board of Directors to oversee the financial reporting process. Majority of the members of the Committee are independent Directors.

The Board has noted the scope, role and composition of the audit Committee pursuant to revised Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. Given below, *inter alia*, is a gist of the role of the Audit Committee :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through any kind of issue of securities and monitoring the utilization of proceeds of any issue and making appropriate recommendations to the Board to take up steps in this matter.



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

- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discuss with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the shareholders in case of non-payment of declared dividends and creditors
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of KMPs after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

**Composition of the committee**

As at 31st March, 2014 the Committee consists of Three Directors, who bring with them vast experience in the field of operations, finance & accounts and the Company has been immensely benefited from the deliberations of the Audit Committee. Besides the Committee members, functional heads and Auditors of the Company attend the meeting of the Committee on the invitation of the Committee.

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

Name of Director	No. of Meetings attended during the period
Mr. Manas Kumar Dutta (Chairman of the Committee)	7
Mr. Ajit Khandelwal	6
Mr. Shanti Prasad Agarwala	7



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

### **Audit Committee Meetings**

Seven Meetings of Audit Committee were held during the year 01.04.2013 to 31.03.2014. The dates on which the meetings of the Audit Committee were held are :

14.05.2013, 16.07.2013, 13.08.2013, 05.09.2013, 19.09.2013, 05.11.2013, 14.02.2014

### **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 30th September, 2013.

## 4. **REMUNERATION COMMITTEE**

The Remuneration Committee has been renamed as Nomination & Remuneration Committee by the Board in its meeting held on 9th May 2014 to align with the requirements of Section 178 of the Companies Act, 2013 & revised clause 49 of the Listing Agreement.

Pursuant to the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, Board has approved & adopted the terms of reference of the committee. Given below, *inter alia*, is a gist of the terms of reference of the Nomination & Remuneration Committee.

- Identification of persons who are qualified to become directors and who may be appointed in senior management;
- Formulation of criteria for evaluation of Independent Director and the Board.
- Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- Recommendation to the Board, a remuneration policy for the directors, KMP and other employees;
- Ensuring the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors;
- Devise a policy on Board diversity;
- Ensuring remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay.

The Committee was also assigned with the responsibility to consider the policy and the matters relating to the remuneration payable to its Managing Director/Whole-time Director based on the performance and defined assessment criteria.

### **Composition of the Committee**

As at 31st March, 2014 the composition of the Committee is in line with requirements of revised Clause 49 of the Listing Agreement and Schedule V of the Companies Act, 2013, comprised of three members, of which all of them are Independent Non-Executive Directors.

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition of the Nomination & Remuneration Committee is as under :

Mr. Manas Kumar Dutta (Chairman of the Committee)	Independent Non Executive Director
Mr. Ajit Khandelwal	”
Dr. Ranesh Bhowmick	”

### Meeting of the Committee

During the financial year ended 31st March, 2014, meeting of the Nomination & Remuneration Committee of the Board of Directors was held on 05.10.2013

## 5. REMUNERATION TO DIRECTORS

The Board of the Directors of the Company in its meeting held on 9th May 2014, has adopted a policy for determining and accounting for the remuneration of the Board Members, Key Management Personnel (KMPs) & Senior Management Personnel (SMPs). This Remuneration Policy is being framed and formulated in adherence with the provisions of revised clause 49 of the listing agreement, Section 178 of the Companies Act, 2013 and Rules made there under.

### (a) Remuneration to Non-Executive Directors :

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors was Rs. 10,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company were not paid any other remuneration or commission.

### (b) Remuneration to Executive Directors :

Remuneration policy/criteria of payment to Executive Directors : The Company has a credible and transparent policy in determining and accounting for the remuneration of the Managing Director/Whole Time Directors (MD/WTDs). Their remuneration is governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs is subjected to the recommendation of the nomination & remuneration committee and approval of the Board of Directors, members in due compliance of the provisions of Companies Act, 2013. As a policy, the Executive Directors are neither paid sitting fee nor any commission.



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of remuneration paid to Whole-time Directors for the period ended 31st March, 2014 :

Director	Salary & Perks	Commission	Total	Service Contract (Years)	Period
Mr. Padam Kumar Agarwala (Managing Director)	25.59	—	—	3 years	05.11.13 to 04.11.16
Mr. Shanti Prasad Agarwala (Whole Time Director)	25.59	—	—	3 years	05.11.13 to 04.11.16
Mr. Varun Agarwal (Executive Director)	25.59	—	—	3 years	05.11.13 to 04.11.16

### Relationship of Non-Executive Directors with the Company and interse :

There is no pecuniary relationship or transactions of the Non-Executive Directors visa-vis the Company and interse themselves except for the sitting fees paid to them for attending the Board and Committee meetings.

### Name and Designation of Compliance Officer :

Ms. Priyanka Jaiswal - Company Secretary

Name and Designation of Contact Person of Registrars and Transfer Agent of the Company :

Mr. Vijay Sharma - Director

Share Transfers/Transmissions etc. as approved by the Committee are notified to the Board at regular intervals. During the year i.e. from 01.04.2013 to 31.03.2014, the status of complaints are as under :

Complaints pending as on 01.04.2013	—	Nil
Complaints received from Investors	—	Nil
Complaints replied/resolved	—	Nil
Complaints pending as at 31.03.2014	—	Nil

## 6 CODE OF CONDUCT

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Directors whether executive or non-executive including Nominee Directors and all senior management personnel of the Company. All Board members and senior management personnel had affirmed compliance with the Code during the year and no violation of the same was reported. A declaration to the effect that all Board members and senior management personnel have complied with the Code during the financial year 2013-14, duly signed by Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's Web-site.

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

**7. DISCLOSURES**

- a. In preparation of financial statement, the Company has followed the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the annexure to the Notes to the Accounts.
- b. The Company has not made any fresh capital issue during the year under review.
- c. Whistle Blower mechanism has been adopted by the Company w.e.f. 09.05.2014.
- d. The Management Discussion and Analysis Report is a part of the Annual Report.

**8. GENERAL INFORMATION FOR SHAREHOLDERS**

CIN of the Company	: L2412WB1973PLC029102
Date of Annual General Meeting & Time	: 20th September, 2014 Saturday, at 3.00 P.M.
Venue	: THE CONCLAVE (Rose Room) 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017
Financial Year	: 2013 - 2014
Book Closure	: From 13th September, 2014 to 20th September, 2014
ISIN	: INE 236 E 01014
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.

**ADDRESS FOR CORRESPONDENCE**

Registered Office	: ELLENBARRIE INDUSTRIAL GASES LTD. 3A, Ripon Street, Kolkata - 700 016
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
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. Pharmacity, Parwada Visakhapatnam, Andhra Pradesh



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 9. GENERAL BODY MEETING

Details of the Meeting held in last three years.

#### I) ANNUAL GENERAL MEETING :

Financial Year	Date and Time	Venue
2012 - 2013	30-09-2013 at 03.30 P.M.	THE CONCLAVE (ROSE ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017
2011 - 2012	28-09-2012 at 03.30 P.M.	THE CONCLAVE (ROSE ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017
2010 - 2011	30-09-2011 at 03.00 P.M.	THE CONCLAVE (ROSE ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017

#### II) EXTRA ORDINARY GENERAL MEETING :

Financial Year	Date and Time	Venue
2012 - 2013	—	—
2011 - 2012	—	—
2010 - 2011	—	—

### 10. SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2013 to 31-03-2014, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2013 - March, 2014. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008.

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April	377.00	345.00
May	330.00	301.00
June	330.00	316.05
July	336.00	310.00
August	325.00	310.00
September	324.00	310.00
October	316.09	299.00
November	313.00	296.65
December	315.00	300.00
January	—	—
February	322.00	322.00
March	—	—

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

**11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	Value of Shares	% of Shareholding
1-500	150	86.21	7,695	76,950	0.12
501-1,000	6	3.45	5,300	53,000	0.10
1,001-2,000	4	2.29	7,000	70,000	0.12
2,001-3,000	—	—	—	—	—
3,001-4,000	—	—	—	—	—
4,001-5,000	—	—	—	—	—
5,001-10,000	—	—	—	—	—
10,001-50,000	4	2.30	1,45,500	14,55,000	2.23
50,001-1,00,000	4	2.30	2,31,800	23,18,000	3.50
1,00,001 and above	6	3.45	61,49,485	6,14,94,850	93.93
<b>TOTAL</b>	<b>174</b>	<b>100.00</b>	<b>65,46,780</b>	<b>6,54,67,800</b>	<b>100.00</b>

**12. STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014**

Category	No. of Shareholders	No. of Shares	% of Shareholding
<b>PROMOTER HOLDING</b>			
Individual / HUF	3	15,67,457	23.94%
Bodies Corporate	1	33,38,858	51.00%
<b>Total No. of Promoter Holding</b>	<b>4</b>	<b>49,06,315</b>	<b>74.94%</b>
<b>NON PROMOTER HOLDING</b>			
Institution	—	—	—
Mutual Fund / UTI	—	—	—
Financial Institution/Bank	—	—	—
<b>NON-INSTITUTION</b>			
Bodies Corporate	7	12,68,169	19.37%
Indian Public	161	3,31,496	5.07%
NRI / OCB / Foreign National	1	300	0.00%
Central Govt. / State Govt.	01	40,500	0.62%
<b>Total No. of Non promoter Holding</b>	<b>170</b>	<b>16,40,465</b>	<b>25.06%</b>
<b>Grand Total</b>	<b>174</b>	<b>65,46,780</b>	<b>100.00%</b>



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 13. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL. The Investors having multiple folios are advised to consolidate the same.

### 14. General Points While Writing to Company or Registrar and Transfer Agent

While writing to the Company and/or Registrar and Transfer Agent, investor should mention their Folio no., DP ID no., full name, address in the letter and sign the same. Signature should be as per the company's record. In case of joint holders, all the joint holders should sign the documents and in case of transfer, the transfer form accompanied with original share certificates should be delivered to the Registrar and Transfer Agent. Shareholders are requested to also mention their telephone no. and/or e-mail ID, if any, in the correspondence for speedy and immediate communication.

### 15. Permanent Account Number (PAN)

SEBI has clarified that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of such transfer of shares.

Accordingly all shareholders are requested to submit duly attested photocopy (both side) of their PAN card along with duly executed transfer form to facilitate the speedy transfer of shares. Shareholders holding shares in electronic form are required to furnish their PAN details to their Depository Participants with whom they maintain their account along with the documents as required by them.

### 16. Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses, in respect of electronic holdings through their concerned Depository Participants and in respect of physical holdings with ABS Consultants Pvt. Ltd., the Registrar and Transfer Agent of the Company. A notice in this respect is also separately enclosed in this Annual Report of the Company.

Members are requested to please co-operate in this regard and register their e-mail addresses without any further delay to achieve the desired environment friendly initiative of the MCA.

3A, Ripon Street  
Kolkata - 700 016

Dated : 13th day of August, 2014

For and on behalf of the Board

PADAM KUMAR AGARWALA  
Managing Director



**CERTIFICATION BY  
CHIEF EXECUTIVE OFFICER (CEO) AND  
CHIEF ACCOUNTANT**

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

13th August, 2014

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, 2014 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, 2014, 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, 2014 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, 2014.

Place : Kolkata  
Date : 13th August, 2014

Padam Kumar Agarwala  
Managing Director

T. Ghosh  
Manager Accounts



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

### **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, 2014.

Kolkata  
Dated : 13th day of August, 2014

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

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
ELLENBARRIE INDUSTRIAL GASES LTD.**

I have examined the compliance of conditions of Corporate Governance by Ellenbarrie Industrial Gases Limited, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

I 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.

9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014

For A. K. KUMAR & CO.  
*Chartered Accountant*  
*(Regn. No. 308013E)*  
**ANJAN KUMAR**  
*Proprietor*  
*(Regn. No. 013166)*



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## AUDITORS' REPORT

### TO THE MEMBERS

I have audited the attached Balance Sheet of ELLENBARRIE INDUSTRIAL GASES LIMITED as at 31st March, 2014 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, I report that :

- i)
  - a) The Company maintains proper records showing full particulars, including quantitative details and situation of fixed assets. However the Fixed Asset Register is being updated.
  - b) The fixed assets have been physically verified by the management at the end of the year and there have been no material discrepancy.
  - c) A substantial part of the fixed assets have not been disposed off during the year.
- ii)
  - a) Physical verification of inventory has been conducted by the management at the end of the year.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii)
  - a) The Company has taken loans from a company and parties covered in the register maintained under Section 301 of the act. The number of parties and the amount involved are FOUR and Rs. 37,86,50,000/- respectively.
  - b) The terms and conditions of the loans taken are prima facie not prejudicial to the interest of the Company.
  - c) The payment of principal is on demand. The payment of interest is regular.
- iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
- v)
  - a) Transactions that need to be entered into a register in pursuance of Section 301 of the Act, have been so entered.
  - b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted deposits from the public.
- vii) The Company has an internal audit system commensurate with its size and nature of its business.

**AUDITORS' REPORT (Contd.)**

- viii) The Company maintains accounts and records as prescribed under Section 209(1)(d) of the Act.
- ix) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess or any other statutory dues with the appropriate authorities and there is no arrear of more than six months as at the last day of the year.
- x) The Company's accumulated loss is not more than fifty percent of its net worth and the Company has incurred cash loss this year.
- xi) The Company has not defaulted in repayment of dues to a bank or financial institution.
- xii) The term loans were applied for the purpose for which the loans were obtained.
- xiii) The funds raised on short term basis have not been used for long term investment.
- xiv) In the circumstances of the case, other clauses of the order are not applicable.

Further to my comments, I report that :

- i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit ;
- ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books ;
- iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account ;
- iv) In my opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 ;
- vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 ;
  - b) in the case of Profit & Loss Account, of the loss for the year ended on that date.
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014

For A. K. KUMAR & CO.  
Chartered Accountant  
(Regn. No. 308013E)  
**ANJAN KUMAR**  
Proprietor  
(Regn. No. 013166)



## BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	6,54,67,800	6,54,67,800
Reserves and Surplus	2	16,57,83,215	20,18,22,944
		<u>23,12,51,015</u>	<u>26,72,90,744</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	3	1,15,34,65,885	60,94,98,318
Deferred Tax Liabilities (Net)	4	25,74,276	89,80,267
		<u>1,15,60,40,161</u>	<u>61,84,78,585</u>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	5	23,48,59,464	30,50,23,791
Trade Payables	6	6,04,51,629	7,27,50,145
Other Current Liabilities	7	11,13,90,854	11,12,62,274
Short Term Provisions	8	5,26,49,415	5,37,08,654
		<u>45,93,51,362</u>	<u>54,27,44,864</u>
<b>TOTAL</b>		<u>1,84,66,42,538</u>	<u>1,42,85,14,193</u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	9		
Tangible Assets		1,03,34,69,804	84,89,41,934
Intangible Assets		24,97,829	25,29,157
Capital Work-in-Progress		23,07,44,034	5,87,88,718
		<u>1,26,67,11,667</u>	<u>91,02,59,809</u>
<b>CURRENT ASSETS</b>			
Inventories	10	6,19,72,148	5,77,92,581
Trade Receivables	11	13,13,06,904	13,08,65,606
Cash and Cash Equivalents	12	1,09,11,176	7,63,98,203
Short Term Loans and Advances	13	37,57,40,643	25,31,97,994
		<u>57,99,30,871</u>	<u>53,37,61,404</u>
<b>TOTAL</b>		<u>1,84,66,42,538</u>	<u>1,42,85,14,193</u>

NOTES TO ACCOUNTS 21 to 34  
Notes 1 to 13 are an integral part of the Balance Sheet

In terms of my Report of even date annexed herewith

For A. K. Kumar & Co.  
Chartered Accountants  
(Firm Regn. No. 308013E)  
Anjan Kumar  
Proprietor  
(M. No. 013166)  
9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014

PRIYANKA JAISWAL  
Company Secretary

On behalf of the Board of Directors

PADAM KUMAR AGARWALA  
Managing Director  
SHANTI PRASAD AGARWALA  
Whole time Director

**ELLENBARRIE  
INDUSTRIAL GASES LTD**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	For the Year Ended 31.03.2014 Rs.	For the Year Ended 31.03.2013 Rs.
<b>INCOME</b>			
Revenue from Operations	14	67,85,60,648	79,37,98,793
Other Income	15	2,37,45,298	1,38,63,996
<b>Total Revenue</b>		<u>70,23,05,946</u>	<u>80,76,62,789</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	16	3,06,26,028	4,65,72,937
Material Purchased for Trading		9,52,63,587	15,20,57,358
Changes in Inventories of Stock-in-Trade	17	32,02,211	(78,13,434)
Employee Benefits Expense	18	5,16,13,479	4,41,51,337
Finance Costs	19	29,39,06,063	10,03,85,687
Depreciation and Amortization Expense	9	7,46,55,903	7,53,09,681
Other Expenses	20	43,11,69,125	39,13,71,545
<b>Total Expenses</b>		<u>98,04,36,396</u>	<u>80,20,35,111</u>
<b>(Loss) / Profit before Tax</b>		<u>(27,81,30,450)</u>	<u>56,27,678</u>
<b>Tax Expense :</b>			
Current Tax		—	10,72,354
Deferred Tax		(64,05,991)	—
<b>(Loss) / Profit for the year</b>		<u>(27,17,24,459)</u>	<u>45,55,324</u>
Earnings Per Share			
Basic and Diluted earning per share (in Rs.)		(41.51)	0.70

NOTES TO ACCOUNTS

21 to 34

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 A. K. Kumar & Co.  
Chartered Accountants  
(Firm Regn. No. 308013E)  
Anjan Kumar  
Proprietor  
(M. No. 013166)  
9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014

PRIYANKA JAISWAL  
Company Secretary

On behalf of the Board of Directors

PADAM KUMAR AGARWALA  
Managing Director

SHANTI PRASAD AGARWALA  
Whole time Director



## NOTES TO BALANCE SHEET as at 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,10,00,000 Equity Shares of Rs. 10 each	21,00,00,000	21,00,00,000
4,00,000 9% Cumulative Redeemable Preference Shares of Rs. 100 each	4,00,00,000	4,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
<b>Issued, Subscribed and Paid-up</b>		
65,46,780 Equity Shares of Rs. 10 each	6,54,67,800	6,54,67,800
	<u>6,54,67,800</u>	<u>6,54,67,800</u>

- a) There is no change in number of shares outstanding as at 31st March, 2014 and 31st March, 2013
- b) As at 31st March, 2014 Air Water Inc., Osaka, Japan as the Holding Company holds 33,38,858 shares (51% of shares) (previous year Nil) No other Associate or subsidiary or other related parties of Air Water Inc. hold any shares in the Company.
- c) Details of Shareholders holding more than 5% shares in the company :

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of Rs. 10 each fully paid				
Air Water Inc. (Ultimate Holding Company)	33,38,858	51.00	—	—
Mr. Shanti Prasad Agarwala	4,97,541	7.60	5,35,320	8.18
Shanti Prasad Agarwala (HUF)	—	—	7,86,960	12.02
Mr. Padam Kumar Agarwala	4,97,541	7.60	12,88,800	19.69
M/s. Heaven Commercial Pvt. Ltd.	10,28,068	15.70	10,28,068	15.70
Ms. Pushpa Devi Agarwala	—	—	10,52,100	16.07
Mr. Varun Agarwal	5,72,375	8.74	5,76,000	8.80
Ms. Aradhita Agarwal	—	—	3,42,000	5.22

- d) No 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.
- e) No convertible securities has been issued by the company during the year.
- f) No calls are unpaid by any Director and Officer of the Company during the year.



**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Financial Statements	14,41,644	14,41,644
	14,41,644	14,41,644
<b>Capital Redemption Reserve</b>		
As per last Financial Statements	6,00,000	6,00,000
	6,00,000	6,00,000
<b>Revaluation Reserve</b>		
As per last Financial Statements	—	—
Add : Recognised During the year	23,19,62,763	—
	23,19,62,763	—
<b>Foreign Currency Translation Difference</b>		
As per last Financial Statements	—	—
Add / (Less) : Difference Arising during the Year	37,21,967	—
	37,21,967	—
<b>General Reserve</b>		
As per last Financial Statements	19,48,47,058	15,13,17,243
Add : Transferred from Profit and Loss Account	—	3,50,00,000
Add : Deferred Tax	—	85,29,815
	19,48,47,058	19,48,47,058
<b>Profit &amp; Loss Account</b>		
As per last Financial Statements	49,34,242	3,53,78,918
Add : (Loss) / Profit for the year	(27,17,24,459)	45,55,324
	(26,67,90,217)	3,99,34,242
<b>Less : Appropriations</b>		
Transfer to General Reserve	—	3,50,00,000
Proposed Dividend	—	—
Tax on Proposed Dividend	—	—
	—	3,50,00,000
<b>Net Surplus</b>	(26,67,90,217)	49,34,242
<b>Total</b>	16,57,83,215	20,18,22,944




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**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>3. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
<b>From Bank</b>		
A) From Bank of Baroda (Secured by hypothecation & mortgage of all movable and immovable assets including Plant & Machinery and Cryogenic Tanks at Uluberia and Vizag and collateral security of all movable and immovable assets at Kalyani Plant, hypothecation of Book-debts and charges on current movable assets of trading business.)	17,90,02,335	44,39,32,726
B) From WBFC (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme)	1,21,00,000	2,53,00,000
C) Car Loan from Banks (Secured by hypothecation of vehicles purchased under the Scheme)	15,45,684	6,24,178
D) Truck Loan from Tata Motors Finance Ltd. (Secured by hypothecation of vehicles purchased under the Scheme.)	3,43,086	14,66,414
<b>Unsecured</b>		
<b>From Bank</b>		
E) From Barclays Bank Plc	38,01,30,050	—
F) From Kotak Mahindra Bank	20,16,94,730	—
<b>From Others</b>		
Loan from Body Corporates	37,86,50,000	13,81,75,000
	<u>1,15,34,65,885</u>	<u>60,94,98,318</u>
<b>Term of Repayment</b>		
A) <b>From Bank of Baroda</b>		
i) Rs. 116 Lacs repayable in semi-annual instalments of Rs. 19.33 lacs each maturing by March, 2016.		
ii) Rs. 104 Lacs repayable in semi annual instalments of Rs. 16.67 lacs each maturing by September, 2016.		
iii) Rs. 1,565 Lacs, partly drawn, repayable in semi annual instalments of Rs. 307 lacs each after 12 months from COD date maturing by March, 2020.		

**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

**B) From WBFC**

- i) Rs. 22 Lacs, repayable in quarterly instalments of Rs. 11 lacs each maturing by September, 2014.
- ii) Rs. 33 Lacs, repayable in quarterly instalments of Rs. 11 lacs each maturing by December, 2014.
- iii) Rs. 66 Lacs, repayable in quarterly instalments of Rs. 11 lacs each maturing by September, 2015.

**C) Car Loan from Banks**

- i) Rs. 5.07 Lacs, repayable in monthly equated instalments of Rs. 0.16 Lacs each (including interest), maturing August, 2017.
- ii) Rs. 10.39 Lacs, repayable in monthly equated instalments of Rs. 0.40 Lacs each (including interest), maturing by November, 2016.

D) Rs. 3.52 Lacs, repayable in monthly equated instalments of Rs. 1.17 lakhs each maturing by April, 2014.

**E) From Barclays Bank plc**

- i) USD 16 Lacs, repayable in single instalments maturing in October, 2016.
- ii) USD 47.5 Lacs, repayable in single instalment maturing in March, 2015 with option of roll over.

**F) From Kotak Mahindra Bank**

- i) USD 34 Lacs, repayable in semi-annual instalment of USD 2.81 Lacs each maturing by March, 2017.
- ii) USD 11 Lacs, repayable in semi-annual instalment of USD 0.94 lacs each maturing by March, 2020.

There has been no default in repayment of loan or interest in respect of any of the above loans.

	Deferred tax (asset)/liability 31.03.2014 Rs.	Deferred tax (asset)/liability 31.03.2013 Rs.
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
On difference in depreciation	50,66,794	93,98,483
On provision for Bad / Doubtful Debts	(18,23,682)	—
On Employee Benefits	(6,68,836)	(4,18,216)
	25,74,276	89,80,267
Deferred Tax liability / (asset) adjusted to Profit & Loss during the year	(64,05,991)	—



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**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>5. SHORT TERM BORROWINGS</b>		
Cash Credit from Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of three Directors.)	23,48,59,464	30,50,23,791
<b>There has been no default in repayment of loan or interest</b>		
	<u>23,48,59,464</u>	<u>30,50,23,791</u>
<b>6. TRADE PAYABLES</b>		
For Goods & Services	6,04,51,629	7,27,50,145
	<u>6,04,51,629</u>	<u>7,27,50,145</u>
<b>7. OTHER CURRENT LIABILITIES</b>		
Deposit from Customers	10,26,36,912	10,33,06,596
Duties & Taxes Payable	87,53,942	79,55,678
	<u>11,13,90,854</u>	<u>11,12,62,274</u>
<b>8. SHORT TERM PROVISIONS</b>		
Bonus	11,35,192	8,00,000
Gratuity	43,82,881	39,07,003
Provision for Expenses	1,65,120	—
Central Excise Duty	—	19,00,825
Provisions for Taxation	4,61,59,006	4,62,93,610
Provisions for FBT	8,07,216	8,07,216
	<u>5,26,49,415</u>	<u>5,37,08,654</u>

**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

**9. DETAILS OF FIXED ASSETS**

DESCRIPTION	C O S T				D E P R E C I A T I O N				B A L A N C E	
	As at 01-04-2013 Rs.	Additions Rs.	Revaluation <sup>1</sup> Rs.	Adjustment Rs.	As at 01.04.2013 Rs.	Additions Rs.	Adjustment Rs.	As at 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Freehold Land <sup>1</sup>	36502036	15347666	109224298	-	-	-	-	-	161074000	36502036
Leasehold Land <sup>1</sup>	162328	-	122738465	-	1793	-	-	1793	122899000	160535
Factory Building & Compound	54123738	409596	-	-	10933818	1739513	-	12673331	41860003	43189920
Furniture	3859691	-	-	-	2161100	256874	-	2417974	1441717	1698591
Plant & Machinery	823671635	4039906	-	850000	230579828	38986805	279486	269287147	557574394	593091807
Motor Car	6636280	1397920	-	2060514	4564899	679499	1766546	3477852	2495834	2071381
Electric Installation	64302038	9100	-	-	13876726	3037531	-	16914257	47396881	50425312
Office Equipment	1713552	153810	-	-	1055121	101556	-	1156677	710685	658431
Truck	6285195	-	-	-	3588531	828394	-	4416925	1868270	2696664
Cylinder	158713462	7041447	-	1946580	131392733	10335266	1851185	139876814	23931515	27320729
Tanker	193492179	2230052	-	2025108	143972976	15571636	919583	158625029	35072094	49519203
Storage Tank	43985157	1348320	-	4905754	3866879	2080280	927476	5019683	35408040	40118278
Computer	4722696	654584	-	-	4003359	341742	-	4345101	1032179	719337
Howrah Shed	1622675	-	-	-	1328812	29386	-	1358198	264477	293863
Howrah Flat	170817	-	-	-	1622675	-	-	170817	170817	170817
Motor Cycle	213442	-	-	-	105048	15468	-	120516	92926	108394
Tube well	513974	-	-	-	317338	19664	-	337002	176972	196636
Work-in-progress <sup>2</sup>	58788718	187302982	-	15347666	-	-	-	-	230744034	58788718
<b>Total</b>	1459479613	219935383	231962763	27135622	551748961	74023614	5744276	620028299	1264213838	907730652
<b>Intangible Assets</b>										
Computer Software	3772529	600961	-	-	1243372	632289	-	1875661	2497829	2529157
Total as on 31.03.2014	1463252142	220536344	231962763	27135622	552992333	74655903	5744276	621903960	1266711667	-
Total as on 31.03.2013	1406077891	42430314	-	763083	478279869	75309681	597217	552992333	-	910259809

Notes :

1) The Company carried out revaluation of the landed assets through a Government approved Valuer & Assessors. Accordingly the difference of Rs. 23,19,62,763 have been carried to the Revaluation Reserves.

2.) Work in Progress includes Capital Advances Rs. 14,30,86,258 (Previous year Rs. 1,55,07,020)




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**NOTES TO BALANCE SHEET as at 31st March, 2014 (Contd.)**

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>10. INVENTORIES</b>		
(As taken, Valued & certified by the Management)		
Raw Materials (At cost)	37,94,520	5,97,942
Finished Goods (At lower of cost or net realisable value)	2,25,43,638	1,53,78,847
Trading Goods (At cost)	1,92,17,907	2,94,89,055
Shares & Securities (At lower of cost or net realisable value)	5,30,303	6,26,157
Stores & Spares (At cost)	1,58,85,780	1,17,00,580
	<u>6,19,72,148</u>	<u>5,77,92,581</u>
<b>11. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered good</b>		
Outstanding for a period exceeding six months	3,73,15,504	2,45,49,672
Others	9,98,93,284	10,63,15,934
	<u>13,72,08,788</u>	<u>—</u>
Less : Provision for Bad & Doubtful Debts	59,01,884	—
	<u>13,13,06,904</u>	<u>13,08,65,606</u>
<b>12. CASH AND CASH EQUIVALENTS</b>		
Balance with Banks :		
In Current Account	22,61,674	8,99,874
In Unpaid Dividend Account	1,36,573	1,10,688
In Margin Deposit Account	78,01,391	7,46,79,506
Cash in hand	7,11,538	7,08,135
	<u>1,09,11,176</u>	<u>7,63,98,203</u>
<b>13. SHORT TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Security Deposits	3,73,48,890	2,90,98,755
Advance against supply of Goods and Services	9,61,17,945	8,35,77,148
Prepaid Expenses	32,20,794	14,58,320
Loans & Advances to Employees	2,19,098	91,551
Insurance Claim Receivable	—	7,43,242
Advance Income Tax & TDS	4,96,37,222	4,80,66,439
Subsidy Receivable	18,91,96,694	9,01,62,539
	<u>37,57,40,643</u>	<u>25,31,97,994</u>

**NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2014**

	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>14. REVENUE FROM OPERATIONS</b>		
Sale of Products	57,33,75,966	65,74,66,955
Sale of Traded Goods	10,30,84,069	14,10,53,743
	<u>67,64,60,035</u>	<u>79,85,20,698</u>
Other Operating Revenues	5,10,14,374	5,21,18,568
Total Revenue	72,74,74,409	85,06,39,266
Less : Excise Duty	4,89,13,761	5,68,40,473
	<u>67,85,60,648</u>	<u>79,37,98,793</u>
<b>15. OTHER INCOME</b>		
<b>Interest Income</b>		
On Bank Deposits	93,40,080	57,46,109
On Others	48,47,305	11,62,972
	<u>1,41,87,385</u>	<u>69,09,081</u>
Net gain on sale of Investments	—	1,20,000
Profit on sale of Fixed Assets (Net)	67,52,633	2,65,779
Dividend	7,050	17,045
Excess Liabilities and Unclaimed Balances written back	74	—
Sundry Receipts	13,69,490	55,20,736
Duty Draw back Receipt	5,380	—
Insurance Claim Received	14,23,286	10,31,355
	<u>95,57,913</u>	<u>68,34,915</u>
	<u>2,37,45,298</u>	<u>1,38,63,996</u>
<b>16. COST OF MATERIAL CONSUMED</b>		
Calcium Carbide	1,08,41,633	1,00,15,593
Gases	1,97,84,395	3,65,57,344
	<u>3,06,26,028</u>	<u>4,65,72,937</u>
<b>17. (INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,53,78,847	1,11,41,493
Trading Goods	2,94,89,055	2,57,64,225
Shares	6,26,157	7,74,907
	<u>4,54,94,059</u>	<u>3,76,80,625</u>
<b>Inventories at the end of the year</b>		
Finished Goods	2,25,43,638	1,53,78,847
Trading Goods	1,92,17,907	2,94,89,055
Shares	5,30,303	6,26,157
	<u>4,22,91,848</u>	<u>4,54,94,059</u>
(Increase)/Decrease in Inventories	<u>32,02,211</u>	<u>(78,13,434)</u>



## NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2014 (Contd.)

	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>18. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Bonus & Wages	4,20,81,846	3,74,94,573
Contribution to Provident & Other Funds	13,19,465	4,28,889
Directors Remuneration	76,77,999	56,40,000
Staff Welfare Expenses	5,34,169	5,87,875
	<u>5,16,13,479</u>	<u>4,41,51,337</u>
<b>19. FINANCE COST</b>		
<b>Interest Expenses</b>		
On Term Loans	4,08,37,563	5,21,01,828
On Cash Credit	2,22,40,509	2,91,03,842
On Unsecured Loan	4,25,64,125	1,85,00,711
On Others (Statutory)	1,59,129	2,77,901
On Truck Loan	2,37,662	4,01,405
	<u>10,60,38,988</u>	<u>10,03,85,687</u>
<b>Exchange Difference on Foreign Currency Loans</b>		
Exchange Fluctuation - Repayment of Foreign Currency Loans (Including relating to previous year Rs. 3,21,97,912)	18,81,39,828	—
Amortisation of Translation Difference on Foreign Currency Loans	(2,72,753)	—
	<u>18,78,67,075</u>	<u>—</u>
	<u>29,39,06,063</u>	<u>10,03,85,687</u>
<b>20. OTHER EXPENSES</b>		
Consumable Stores - Consumed	1,38,61,533	30,45,108
Excise Duty on Closing Stock	4,96,244	19,00,825
Power consumed	42,96,71,300	36,67,24,511
(Less : Subsidy Receivable for Vizag plant)	(10,19,45,566)	(6,58,44,230)
Repair Building	5,72,441	1,77,515
Repair Machinery	90,24,452	60,75,573
Repair Others	3,95,631	50,85,329
Selling Expenses	64,89,169	84,79,901
Rent	1,02,736	37,680
Rates & Taxes	17,06,020	28,59,337
Insurance	12,45,446	22,18,312
Travelling & Conveyance	30,35,611	46,34,415
Auditor's Remuneration :		
As Statutory Audit Fees	1,00,000	75,000
As Tax Audit Fees	20,000	13,483
Others	69,837	28,090
Cost Audit Fees (Including Rs. 30,000 for previous year)	60,000	—
Bank Charges	45,15,147	72,30,947
Provision for Doubtful Debts	59,01,884	—
Directors Sitting Fees	1,27,500	78,000
Other Misc. Expenses	5,57,19,740	4,85,51,749
	<u>43,11,69,125</u>	<u>39,13,71,545</u>



## **NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2014

### **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 211(3C) of the Companies Act, 1956 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**

**In respect of Kalyani Plant & Other Assets**

Depreciation has been provided on written down value method as per Schedule XIV of the Companies Act, 1956 of assets acquired upto 31.03.1992 and from 01.04.1994 onwards. For assets acquired between 01.04.1992 to 31.03.1994 depreciation had been provided on straight line method as per Schedule XIV of the Companies Act, 1956.

**In respect of Uluberia & Visakhapatnam Plant**

Depreciation has been provided on straight line method as per Schedule XIV of the Companies Act, 1956.

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 relisable 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 recognised as income or expense in the period in which they



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## NOTES TO ACCOUNTS as at and for the year ended 31st March, 2014 (Contd.)

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 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 Payment of Gratuity Act) has been calculated on the basis of an actuarial valuation made by LIC and the amount is deposited under the LIC Group Gratuity Scheme. 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 substantively 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, 2014 (Contd.)

**22. Particulars of Raw Materials Consumed :**

	2013 - 2014		2012 - 2013	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Indigenous (Cu.m.)	6,12,637	1,25,28,047	16,42,681	2,85,93,229
(Kg.)	12,78,740	86,22,951	14,19,805	79,64,115
Imported (Kg.)	2,39,100	94,75,030	2,56,300	1,00,15,593

**23. Value of stores & spares consumed :**

	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Indigenous	1,38,32,857	99.99%	81,35,127	89.19%
Imported	28,676	0.01%	9,85,554	10.81%

**24. Value of Import on CIF basis :**

	2013-2014 Rs.	2012-2013 Rs.
a) Capital Goods	4,82,711	—
b) Trading Goods	6,83,10,113	10,04,81,178
c) Spares	28,676	9,85,554
d) Raw Material	1,26,71,608	81,61,865

**25. Earning in Foreign Currency :**

Revenue from Export on F.O.B. basis	2,00,71,199	1,56,60,974
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**26. Expenditure in Foreign Currency :**

Travelling Expenses	1,53,068	7,58,060
Trading Goods	79,43,081	83,84,217
Raw Materials	37,65,669	1,20,04,046
Spares	20,567	—
Advance for Capital Goods	1,16,640	1,34,84,664
Term Loan Repayment	—	54,63,507

27. Dividend remittance to Non-resident shareholders Nil Nil

28. 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.

29. 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.



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## NOTES TO ACCOUNTS as at and for the year ended 31st March, 2014 (Contd.)

30. CONTINGENT LIABILITIES NOT PROVIDED FOR	2013-2014	2012-2013
	Rs.	Rs.
Central Excise Duty & Service Tax	2,17,86,230	4,41,92,475
VAT & CST	3,15,91,676	3,73,87,937
Income Tax	1,73,387	1,93,510

### 31. EARNING PER SHARE

(i) Weighted average number of Equity Shares of Rs. 10 each outstanding during the period	65,46,780	65,46,780
(ii) Profit after Tax attributable to Equity Shareholders (Rs.)	(27,17,24,459)	45,55,324
(iii) Basic / Diluted Earnings per Share (in Rs.) [(ii)/(i)]	(41.51)	0.70

### 32. 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 Real Estate Ltd.

#### b) Key Management Personnel :

Shri Padam Kumar Agarwala - Managing Director

Shri Shanti Prasad Agarwala - Whole time Director

Shri Varun Agarwal - Executive Director

Ms. Priyanka Jaiswal - Company Secretary

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2014 (Contd.)

c) **Transactions with Related Parties :**

Nature of Transactions	Holding Company	Associates	Key Management Personnel
Salaries / Remuneration	— —	— —	7677999 (5640000)
Equipment Hiring	— —	2000000 (2000000)	— —
Office Rent paid	— —	24000 (24000)	— —
Interest Paid on Loans	— —	— —	23419711 (4030909)
Loans Received during the year	— —	— —	356950000 —
Guarantees & Collaterals received during the year	747572700	—	122112927
Balance Outstanding at the end of the year :			
Advance for Value to be Received	— —	— —	2261000 (2261000)
Trade Payables	— —	3497216 (1537216)	27826140 (3352816)
Borrowings	— —	— —	357400000 (450000)
Guarantees & Collaterals outstanding	747572700 —	— —	122112927 —

Note : Figure in brackets relates to corresponding previous year.

33. **Segment Reporting :**

Information in accordance with the 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

(ii) Sheets

Gases and related products comprise manufacture and sale 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.



## NOTES TO ACCOUNTS as at and for the year ended 31st March, 2014 (Contd.)

Segment Reporting	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>REVENUE EXTERNAL (NET OF EXCISE DUTY)</b>		
Gases and related products	63,14,99,558	58,06,63,941
Sheets	10,98,58,543	8,98,32,443
<b>TOTAL</b>	<u>74,13,58,101</u>	<u>67,04,96,384</u>
<b>DEPRECIATION</b>		
Gases and related products	7,52,77,029	7,52,63,719
Sheets	32,652	36,279
<b>TOTAL</b>	<u>7,53,09,681</u>	<u>7,52,99,998</u>
<b>PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS</b>		
Gases and related products	46,71,634	1,04,78,613
Sheets	9,56,044	12,15,639
<b>TOTAL</b>	<u>56,27,678</u>	<u>1,16,94,252</u>
<b>NET FIXED ASSETS</b>		
Gases and related products	89,44,58,926	92,63,12,980
Sheets	2,93,863	14,85,042
<b>TOTAL</b>	<u>89,47,52,789</u>	<u>92,77,98,022</u>
<b>CURRENT ASSETS</b>		
Gases and related products	51,94,33,641	41,18,88,746
Sheets	1,35,84,521	2,44,11,937
<b>TOTAL</b>	<u>53,30,18,162</u>	<u>43,63,00,683</u>
<b>CURRENT LIABILITIES</b>		
Gases and related products	49,26,94,364	46,27,71,657
Sheets	5,19,68,356	2,83,70,076
<b>TOTAL</b>	<u>54,46,62,720</u>	<u>49,11,41,733</u>
<b>CAPITAL EXPENDITURE</b>		
Gases and related products	4,24,30,314	7,43,44,393
Sheets	—	—
<b>TOTAL</b>	<u>4,24,30,314</u>	<u>7,43,44,393</u>

34. Previous year's figures are re-grouped and re-arranged, wherever necessary.  
Signature to Schedules 1 to 34

In terms of my Report of even date annexed herewith

For A. K. Kumar & Co.  
Chartered Accountants  
(Firm Regn. No. 308013E)  
Anjan Kumar  
Proprietor  
(M. No. 013166)  
9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014

PRIYANKA JAISWAL  
Company Secretary

On behalf of the Board of Directors

PADAM KUMAR AGARWALA  
Managing Director  
SHANTI PRASAD AGARWALA  
Whole time Director

**CASH FLOW STATEMENT for the year ended 31st March, 2014**

	Year Ended 31.03.2014	Year Ended 31.03.2013
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(27,81,30,450)	56,27,678
<b>Adjustments For :</b>		
- Depreciation	7,46,55,903	7,53,09,681
- Interest Expenses	29,39,06,063	10,03,85,687
- Interest Income	(1,41,87,385)	(69,09,081)
- Sundry Balance w/off	—	—
- Loss / (Profit) on Sale of Fixed Assets	(67,52,633)	(2,65,779)
- Dividend	(7,050)	(17,045)
<b>Operating profit before working capital changes</b>	<u>6,94,84,448</u>	<u>17,41,31,141</u>
Movements in working capital :		
- Increase/(decrease) in trade payables	(1,22,98,516)	80,39,976
- Increase/(decrease) in short-term borrowings	(7,01,64,327)	3,37,95,955
- Increase/(decrease) in other current liabilities	1,28,580	1,02,93,490
- Increase/(decrease) in short term provisions	(10,59,239)	(5,26,290)
- (Increase)/decrease in trade receivables	(4,41,298)	(32,09,460)
- (Increase)/decrease in inventories	(41,79,567)	(64,20,075)
- (Increase)/decrease in short-term loans & advances	(12,09,71,866)	(6,90,87,927)
<b>CASH GENERATED FROM OPERATIONS</b>	<u>(13,95,01,785)</u>	<u>14,70,16,810</u>
- Direct Taxes Paid (Net)	(15,70,783)	(14,02,910)
<b>Net Cash Flow from Operating Activities</b>	<u>(14,10,72,568)</u>	<u>14,56,13,900</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchases of Fixed Assets	(1,78,85,696)	(2,73,63,618)
- Increase in CWIP	(18,73,02,982)	(1,50,66,696)
- Sale of Fixed Assets	1,27,96,313	7,63,083
- Interest Received	1,41,87,385	69,09,081
- Sale of Non current Investment	—	24,60,000
- Dividend Received	7,050	17,045
<b>Net Cash used in Investing Activities</b>	<u>(17,81,97,930)</u>	<u>(3,22,81,105)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds from Long term borrowings	82,60,21,747	18,04,42,683
- Repayment of Long term borrowings	(27,83,32,213)	(17,46,45,650)
- Payment of Interest	(29,39,06,063)	(10,03,85,687)
<b>Net Cash from / (used) in Financing Activities</b>	<u>25,37,83,471</u>	<u>(9,45,88,654)</u>
<b>Net (Decrease) / Increase in Cash and Cash Equivalentents (A+B+C)</b>	<u>(6,54,87,027)</u>	<u>1,87,44,141</u>
Opening Cash and Cash Equivalent	7,63,98,203	5,76,54,062
Closing Cash and Cash Equivalent	<u>1,09,11,176</u>	<u>7,63,98,203</u>
	<u>6,54,87,027</u>	<u>1,87,44,141</u>

PADAM KUMAR AGARWALA  
*Managing Director*

SHANTI PRASAD AGARWALA  
*Whole time Director*

Dated : 13th day of August, 2014

PRIYANKA JAISWAL  
*Company Secretary*

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

For A. K. Kumar & Co.  
Chartered Accountants  
(Firm Regn. No. 308013E)  
Anjan Kumar  
Proprietor  
(M. No. 013166)

9/15, Fern Road  
Kolkata - 700 019  
Dated : 13th day of August, 2014