



ELLENBARRIE INDUSTRIAL GASES LTD

(A member of Air Water Inc. Group)

DIRECTORS

Shri Norio Shibuya, *Managing Director*
Shri Shanti Prasad Agarwala, *Whole-time Director*
Shri Padam Kumar Agarwala, *Whole-time Director*
Shri Varun Agarwal, *Executive Director*
Shri Manas Kumar Dutta, *Independent Director*
Mrs. Anindita Guhamullick, *Independent Director*
Shri Swapan Kumar Bhowmik, *Independent Director*
Shri Kensuke Yamamoto, *Director*
Shri Ryosuke Matsubayashi, *Director*

AUDITORS

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

COMPANY SECRETARY

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



NOTICE

Notice is hereby given that the 41st Annual General meeting of the members of Ellenbarrie Industrial Gases Limited (CIN : L24112WB1973PLC029102) will be held on Friday, 18th September, 2015 at 3.00 P.M. at The conclave, 216, A.J.C Bose Road, Kolkata - 700 017 to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2015 together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a director in place of Mr. Ryosuke Matsubayshi (DIN No. : 06721947), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint auditor and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

“Resolved that pursuant to the provisions of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013, the appointment of M/s. A. K. Kumar & Co., Chartered Accountants (Registration No. : 308013E), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Forty Second Annual General Meeting be and is hereby approved at remuneration of 100,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

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, 152 and other applicable provisions, if any, of the companies Act, 2013 and the Rules made there under, read with Schedule IV of the Act, Mrs. Anindita Guhamallick (DIN : 07130151), a Non-Executive Director of the Company who has submitted a declaration under section 149(6) of the Act and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term up to five consecutive years commencing from September 18, 2015.”

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

“RESOLVED THAT pursuant to provisions of Section 88 and 94 of the Companies Act, 2013 read with Rule 15 of the Companies (Management & Administration) rules, 2014, the consent of the members of the Company be and is hereby accorded to change the place of keeping the Register of Members from the Registered office of the Company to the office of the Registrar & Share Transfer Agent of the Company, M/s. ABS Consultants Pvt. Ltd. at Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata - 700 001, West Bengal.

NOTICE (Contd.)

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

“RESOLVED THAT Mr. Kensuke Yamamoto (DIN : 07091189), who was appointed as Additional Director with effect from 13th February, 2015 on the Board of the company in terms of Section 161 of the Companies Act, 2013 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 along with a deposit of Rupees One Lakh, under section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Mr. Norio Shibuya (DIN : 07099850), who was appointed as Additional director with effect from 1st April, 2015 on the Board of the company in terms of Section 161 of the Companies Act, 2013 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 along with a deposit of Rupees One Lakh, under section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company.”

“RESOLVED FURTHER THAT Mr. Norio Shibuya (DIN : 07099850), having been appointed as a director of this Company at this Annual General Meeting, consent be and is hereby given for his continuance as Managing Director of the Company on same terms and conditions of his appointment as Managing Director of the Company approved by the shareholders at the Extra Ordinary General meeting held on 18.05.2015.”

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

RESOLVED THAT in supersession of all the earlier resolutions passed and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (“the Act”) (corresponding to Section 293(1)(d) of the Companies Act, 1956) and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial Institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether



NOTICE (Contd.)

domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount upto which money may be borrowed by the Board under this resolution, outstanding at any one time shall not exceed, in the aggregate, the sum of Rs. 500 Crores (Rupees Five Hundred Crores only) and / or in equivalent foreign currency.

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

“RESOLVED that in supersession of earlier resolutions passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the company be and is hereby accorded to the creation by the Board of Directors of the company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures / bonds and / or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans / foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 500 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and / or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.

NOTICE (Contd.)

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

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

Sl. No.	Name of the Company	Purpose of the Agreement	Amount to be paid
1.	Superior Tea & Allied Industries Pvt. Ltd.	Office Rent Agreement	Rs. 144000 p.a
2.	Gunjan Suppliers Pvt. Ltd.	Office Rent Agreement	Rs. 36000 p.a
3.	Ellenbarrie Cryogenics Ltd.	Fixed Asset Hire Charges	Rs. 2000000 p.a
4.	Air Water Inc. Japan	Guarantee for loans taken by EIGL	No guarantee commission is proposed to be paid to the holding Company

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

“RESOLVED THAT pursuant to the provisions of Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of the of Board of Directors of the Company to the shareholders on the erosion of the Net Worth of the Company as at the end of the Financial year ended 31st March, 2015 be and is hereby considered, approved and noted.

RESOLVED FURTHER THAT Board of Directors of the Company be and Is hereby authorized to take such steps as may be necessary including reporting of the fact of such erosion to the Board of Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provisions of Section of SICA and to do all such acts, deeds and things as may be considered necessary, proper and desirable or expedient to give effect to the above resolution.”

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 12th day of August, 2015

By Order of the Board
For Ellenbarrie Industrial Gases Limited
NORIO SHIBUYA
Managing Director



NOTICE (Contd.)

NOTES :

1. The explanatory Statement as required under Section 102 of the Companies Act, 2013 related to the Special business to be transacted at the 41st Annual General Meeting is annexed hereto.
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.
3. Corporate members desiring to exercise voting through their representative are required to forward well in advance certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT LTD, Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata – 700 001, any change in their address.
5. The Register of Members and Equity Share Transfer Registers will remain closed from 12th September, 2015 to 18th September, 2015 (both days inclusive).
6. Members should fill in their attendance slip for attending the meeting and bring their Attendance slips along with their copy of the Annual Report to the meeting. Members are requested to put their signature at the space provided and handover the complete slip at the entrance of the meeting.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding share in physical form who have not registered their e-mail address with the Company can now register the same by requesting the same, to M/s. ABS 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.
8. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
9. In order to comply with the requirement of SS-2 pertaining to General meetings, a route map showing prominent landmark of the venue of the 41st AGM of the Company is attached with the notice.

NOTICE (Contd.)

10. Particulars of Director as per requirement of SS-2 pertaining to General Meeting and clause 49 of listing agreement are given in Corporate Governance Report.
11. Dividend Unclaimed / unpaid for the year 2007-08 will be transferred to Investors Education & protection Fund. Members who have not yet encashed their Dividend Warrant for the year 2008-09 are requested to validate their respective dividend warrant and to approach the Secretarial Department so that they can claim their dividend which on the date of the notice is remaining unpaid.
12. In terms of provision of Companies Act, 2013, the Company intends to pass an Ordinary Resolution under Item no. 4 for appointment of Independent Director for a period of 5 consecutive years from 18th September, 2015.
13. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 (c) of the Companies (Share Capital & Debenture) Rule, 2014, nomination form is enclosed & to be submitted to the Secretarial Department.
14. Relevant documents referred to in the notice and contract of service of Mr. Norio Shibuya, the Managing Director of the Company are open for inspection by the members during business hours upto the date of the meeting.
15. Voting through electronic means
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause 35B of the Listing Agreement, Members are provided with the facilities to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system provided by Central Depository Services (India) Ltd. (CDSL).

The notice of the 41st 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 41st Annual General Meeting (AGM):

The e-voting period begins on 15.09.2015 from 9.00 A.M. and ends on 17.09.2015 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off / entitlement date of 11.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach the Scrutinizer at 3A, Ripon Street, 2nd Floor, Kolkata - 700 016, not later than 17.09.2015 (5.00 P.M.) (i.e. closing date of E-Voting) Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through E-voting shall prevail and Ballot Form shall be treated as invalid.

The Instructions for E-Voting are as under :

- a. Log on to the e-voting website : www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab



NOTICE (Contd.)

- 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 loggedon to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h. After entering these details appropriately, click on“SUBMIT” tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field.
- j. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN “ELLENBARRIE INDUSTRIAL GASES LIMITED” for which you choose to vote.
- m. On the voting page, you will see “Resolution Description” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YESimplies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- o. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will bedisplayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- p. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- r. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- s. For Non – Individual Shareholders and Custodians :

- t. ● Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. If a person became the member of the company after the dispatch of notice, then such member may contact the company for Login ID and other e-voting related details.
- V. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off / entitlement date of 11.09.2015.
- VI. Mr. Arani Guha, Practicing Company Secretary, (Membership No. 26011) of Khandelia Arun & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared after the 41st Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be communicated to CDSL and The Calcutta Stock Exchange Association Limited on or after 18th September, 2015.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 12th day of August, 2015

By Order of the Board
For Ellenbarrie Industrial Gases Limited
NORIO SHIBUYA
Managing Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO. 4

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

In terms of Section 149 and any others applicable provisions of the Companies Act, 2013, Mrs. Anindita Guhamallick, being eligible, offers herself for appointment as Independent Director on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mrs. Anindita Guhamallick as Independent Director on the Board of the Company for a term upto five consecutive years, commencing from 18th September, 2015. Mrs. Anindita Guhamallick has given a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013. She is not disqualified from being appointed as a director in terms of section 164 of the Act and has given her consent to act as director.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mrs. Anindita Guhamallick, are concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

ITEM NO. 5

The Company is required to keep & maintain the registers u/s 88 of the Companies Act, 2013 at the Registered office of the Company but at the same time the Company under SEBI regulations is required to appoint Share Transfer Agent who is responsible for maintaining register of members and for recording transfers of Shares and other allied activities. The Company has entered into an agreement with M/s ABS consultants Pvt. Ltd. having its registered office at 99, Stephen House, 6th Floor, 4, B.B.D. Bag East, Kolkata - 700 001 for discharging all functions of Share Transfer Agent. As the registers maintained u/s 88 is not maintained at the registered office of the Company, approval of the members by Special resolution at the General meeting is required pursuant to Section 94 of the Companies Act, 2013.

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

ITEM NO. 6

Mr. Kensuke Yamamoto, additional director of the company was appointed on the Board with effect from 13th February, 2015 pursuant to Section 161 of the Companies Act, 2013. His term of office expires at this 41st Annual General Meeting. A notice of candidature for his appointment as Director on the Board of the company has been received by the Company. He is not disqualified from being appointed as a director in terms of section 164 of the Act and has given his consent to act as director.

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.)

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Yamamoto, is concerned or interested, financially or otherwise, in this Resolution. The Board commends the Ordinary Resolution as set out at item no.6 for approval of the Members.

ITEM NO. 7

Mr. Norio Shibuya, Managing Director of the Company was appointed initially as Additional Director on the Board on 1st April, 2015 and subsequently he was elevated to the position of MD after obtaining approval of the members at the Extra Ordinary general Meeting held on 18th May, 2015. His appointment as MD was made for a period of 3 years from 1st April, 2015 on terms and conditions as set out below:

a. Basic Salary	Rs. 3, 50,000 P.M.
b. Reimbursement of Medical Expense	Rs. 5000 P.M.
c. Reimbursement of Premium Health Insurance	Rs. 1000 P.M
d. L.T.A. self & family	Rs. 1,00,000 P.A.
e. Phone facility	Actual
f. Club	Two Clubs
g. P.F., pension, Gratuity	As per Actual / Statutory provisions

He has to vacate his office as Additional director at the 41st AGM. A notice of candidature for his appointment as director on the Board of the Company has been received by the Company. Once he is appointed as a director of the Company at the 41st AGM, he will continue as the MD of the Company for remaining tenure as MD which he will hold upto 31st March, 2018.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Norio Shibuya, is concerned or interested, financially or otherwise, in this Resolution. The Board commends the Ordinary Resolutions as set out at item no.7 for approval of the Members.

ITEM NO. 8

Members of the Company are requested to note that Section 180(1)(c) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the borrowing power, where the money to be borrowed together with money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves apart from temporary loans only with the approval of the members of the company by way of a special resolution. In compliance with the requirement of the provision of companies act 2013 approval of members is sought to be obtained by means of special resolution.

Your directors recommend this resolution for your approval. None of the Directors, Key Managerial Personnel and their relatives are either directly or indirectly, concerned or interested in the proposed resolution.



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. 9

Members of the Company are requested to note that Section 180(1)(a) of the Companies Act, 2013 mandate that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking of the Company only with the approval of the members of the company by way of a special resolution. Since the Company is obtaining loans and also creating charge, mortgages and hypothecation on the assets of the Company, it is proposed to pass the resolution as Special resolution.

Your directors recommend this resolution for your approval. None of the Directors, Key Managerial Personnel and their relatives are either directly or indirectly, concerned or interested in the proposed resolution.

ITEM NO. 10

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

Your directors recommend this resolution for your approval. None of the Directors, Key Managerial Personnel and their relatives except to the extent of their shareholding are either directly or indirectly, concerned or interested in the proposed resolution.

ITEM NO. 11

As per the audited accounts of the Company for the Financial Year 31st March, 2015, which shall be laid before the members at the Annual General Meeting and which the Board expects to be approved and adopted by the members at the said Annual General Meeting, the accumulated loss of the company has resulted in the erosion of the net worth of the Company. The Board intends to submit a report to the BIFR in the prescribe Form under the BIFR Regulations. Members can inspect, the Board Report in Form A at the Registered office of the Company during business hours on any day before the holding of the Annual General Meeting.

Your directors recommend this resolution for your approval. None of the Directors, Key Managerial Personnel and their relatives except to the extent of their shareholding are either directly or indirectly, concerned or interested in the proposed resolution.

BOARD'S REPORT

To

THE MEMBERS

Your Directors take pleasure in presenting the 41st Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2015.

FINANCIAL RESULTS

Highlights of the financial results of the Company for the year ended 31st March, 2015 are as under :

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

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Revenue from operations	8,23,357	6,27,546
Other Income	49,678	51,014
Earnings before Interest, Depreciation & Tax	90,722	90,432
(Loss) for the year after tax	(86,764)	(2,71,724)
Earnings per Share of Rs. 10/- each	(13.25)	(41.51)

OPERATIONAL REVIEW

"During the financial year 2014-15 sales of manufactured goods (net of excise) registered an increase of 42% over that of 2013-14. 20% of revenue growth was contributed by commencement of commercial production at newly constructed Hyderabad air separation plant and balance by growing customer base as well as strong opportunity sales. Depreciation reduced following change in depreciation policy - assets now depreciated over their useful lives determined based on technical evaluation. Also Finance cost reduced as a result of financial optimization exercise carried out during the previous year. However, Earnings before Interest, Tax & Depreciation Amortization (EBITDA) remained unchanged around KINR 90,000 because of sharp cost increase with completion of power subsidy tenure at Vizag location in 2nd quarter and the less than optimum price increase not helping absorption of such cost increase. Eventually, your company had to report a net loss of KINR 87,160.

We are pleased to highlight that our state of art Hyderabad plant commenced operation in January 2015 and within a short span has achieved capacity utilization of 60%.

DIVIDEND

In view of the loss incurred for the Financial Year 2014-15, the Board does not declare any dividend for the given financial year.

SUBSIDIARY COMPANIES

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



BOARD'S REPORT (Contd.)

SHARE CAPITAL

The paid up equity capital as on March 31, 2015 was Rs. 6,54,67,800/-. During the year under review, the Company has not issued any shares or shares with differential voting rights nor granted stock options nor sweat equity nor bonus shares.

FINANCE

During the financial year company retired a total of KINR 585,750 debts. Fresh borrowings during the year totaled KINR 985,592 which included long term external commercial borrowing from Bank of Tokyo Mitsubishi UFJ and Japan Bank for International Cooperation at favorable interest rates. Total long term liabilities at the end of the year stood at KINR 1,572,366. Cash and cash equivalents as at March 31, 2015 was KINR 21,398.

FIXED DEPOSIT

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company has 9 directors comprising of 3 Whole Time Directors, 3 Independent Directors and 3 Non Executive Directors during the year. Mr. Prabir Kumar Dutt , Independent Director of the Company resigned from the Board on 21st April, 2015 due to personal reasons. The resignation of Mr. Prabir Kumar Dutt was noted in the Board Meeting held on 15.05.2015. The Board appointed Mrs. Anindita Guhamallick in place of the vacancy created on account of Mr. Dutt's resignation. Accordingly the Board proposes an Independent Director Mrs. Anindita Guhamallick, an advocate with more than 5 years of experience and holding coveted position, she has confirmed

BOARD'S REPORT (Contd.)

to the Company that she meets the criteria of Independence as specified in section 149(6) of the Act, to be appointed as Independent Director within the meaning of the act. The necessary resolution for appointment of Independent Director 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. Mr. Manas Kumar Dutta and Mr. Swapan Kumar Bhowmik continue as Independent Director in the Company. All the independent directors have given declarations that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. Mr. Ajit Khandelwal resigned from the Board with effect from 28th July, 2014 and the same was accepted at the Board meeting held on 13th August, 2014.

Mr. Masato Machida, director of the Company resigned from the Board on 13th February, 2015 and the same was accepted by the Board at the Board Meeting held on 13.02.2015. Mr. Shunichi Takahashi, director of the Company resigned from the Board on 1st April, 2015 and the same was accepted by the Board at the Board Meeting held on 01.04.2015. The Board of Directors wish to place on record their deep sense of appreciation for the invaluable contributions of Mr. Masato Machida, Mr. Shunichi Takahashi and Mr. Prabir Kumar Dutt towards growth and prosperity of the Company.

Mr. Kensuke Yamamoto joined the Board of the Company as additional director on 13th February, 2015 and Mr. Norio Shibuya as additional director on 1st April, 2015. Subsequently Mr. Norio Shibuya was appointed as the Managing Director of the Company at the Board meeting held on 1st April, 2015 and his appointment was approved by the Shareholders at the EOGM held on 18th May, 2015. The Board recommends the appointment of above mentioned directors with a view to avail of their valuable advices and wise counsel. Information relating to these Directors is provided in Corporate Governance u/c 49 of the listing agreement.

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

Board Evaluation

The Board has comprehensive system for making a formal evaluation of the performance of the Board, committee of the Board and Individual directors. The Board has fixed parameters against which performance of the director are measured and those parameters are made known to directors well in advance. Periodically the Board reviews the parameters and assess the performance of the directors against such parameter. There also exist a feedback system so that directors can become aware of the evaluation of their performance and improve their skill and knowledge.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings of Board and Committee

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



BOARD'S REPORT (Contd.)

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the profit or loss of the Company for the year under review.
- iii) 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) The directors have prepared the annual accounts on a going concern basis.
- v) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- vi) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

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

CODE OF CONDUCT

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

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

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

BOARD'S REPORT (Contd.)

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

PREVENTION OF INSIDER TRADING

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

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

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Anjan Kumar Bandopadhyay, practicing company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure C". The Board proposes to pass resolution at the ensuing Annual General Meeting to comply with the provisions of the Act and various regulation in accordance with comments made by the Secretarial Auditor.

STATUTORY AUDITORS

M/s A.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 2015-16. 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 regard to observation made by A.K. Kumar & Co. Statutory Auditor in Audit Report under serial no. vii(d), the Board reiterates that during the year 2014-15, the Company has not changed its accounting policy with reference to deferred tax accounting and retirement benefits. The practice and policies of the company on alleged non-compliance of AS-15 and AS-22 is not at variance with those of policies followed in preceding year.



BOARD'S REPORT (Contd.)

EXTRACT OF ANNUAL RETURN

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

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a risk management committee to identify and monitor both internal and external risk which might have bearing on the performance of the company. The details of the Committee and its terms of reference are set out in the corporate governance report forming part of the Boards report. To identify both internal and external risk, the assets of the company are adequately insured against loss of fire, riot, earthquakes, terrorism etc.

PARTICULARS OF EMPLOYEES

Details pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure E.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DETAILS OF SIGNIFICANT & MATERIAL ORDER PASSED BY REGULATORS, COURTS OR TRIBUNALS

During the year 2014-15, there was no significant or material order passed by any Regulators, Courts or Tribunals impacting the going concern status or future operations of the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As required under the provisions of Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Rule, 2013, an Internal Complaint Committee (ICC) with requisite number of representative has been set up to redress complaints of sexual harassment, if any. The following is a summary of sexual harassment complaints received and disposed off during the year ended 31st March, 2015 :

No. of Complaints received : NIL

No. of complaints disposed off : NIL

BOARD'S 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.

APPRECIATION & ACKNOWLEDGEMENT

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

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

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

3A, Ripon Street

Kolkata - 700 016

Dated : 12th day of August, 2015

For and on behalf of the Board

NORIO SHIBUYA

Managing Director

PADAM KUMAR AGARWALA

Whole Time Director



ANNEXURE - 'A' TO THE DIRECTORS' REPORT

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

A. Conservation of Energy

- i. Steps taken or impact of conservation of Energy :
Steps have been taken towards improvement of power factor and load factor with a view to achieve optimum power efficiency.
- ii. Steps taken for utilizing alternate sources of energy :
Power is being procured from wind power generators for operation of plant.
- iii. Capital investment on energy conservation equipment :
 - For new plant commissioned in Hyderabad location machineries have been procured and designed in order to ensure lowest and optimum power consumption
 - For existing plants Rs. 219000 have been invested towards conservation of energy

B. Technology Absorption

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

C. Foreign Exchange Earnings & Outgo

- Foreign exchange earned during the year : Rs. 38,631,000
- Foreign exchange outgo during the year : Rs. 660,946,000

ANNEXURE - 'B' TO THE DIRECTORS' REPORT

DETAILS OF RELATED PARTY TRANSACTIONS IN FORM AOC - 2

Sl. No.	Name of the Related Party and Nature of Relationship	Nature of Contract or Arrangement	Duration of the Contract of Arrangement	Salient Terms & Conditions	Date of approval by the Board	Amount paid as advance, if any
1.	Superior Tea & Allied Industries Pvt. Ltd.	Office Rent Agreement	5 years	Monthly rental of Rs. 12,000/- for an area of 578 sq.ft at 3A, Ripon Street, 2nd Floor, Kolkata - 16	12.08.2015	Rs. 2.25 lakhs as interest free security deposit.
2.	Gunjan Suppliers Pvt. LTd.	Office Rent Agreement	5 years	Monthly rental of Rs. 3,000/- for an area of 833 sq.ft at 3A, Ripon Street, 4th Floor, Kolkata - 16	12.08.2015	Rs. 24.61 lakhs as interest free security deposit.
3.	Ellenbarrie Cryogenics Limited	Fixed Asset Hire Charges	3 years	Rs. 20 lakhs p.a. for assets taken on hire from the Company	12.08.2015	—
4.	Air Water Inc.	Guaratee provided by the holding company in respect of loans borrowed by EIGL	—	—	12.08.2015	No gurantee commission is proposed to be paid to the holding company



ANNEXURE - 'C' TO THE DIRECTORS' REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule

No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ELLENBARRIE INDUSTRIAL GASES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ELLENBARRIE INDUSTRIAL GASES LIMITED. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vi) I have examined on test check basis compliance with following Acts and Rules which are specifically applicable to the company
- a) The petroleum Act 1934.
 - b) Explosives Act 1884.
 - c) Gas cylinder Rules 2014.
 - d) Static and mobile pressure vessel unfired Rules 1981.

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

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

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

- (1) The company had appointed one woman Director at the Board Meeting held on 1st April, 2015 in terms of second proviso of section 149 (1) and section 149 (2) of companies Act, 2013 read with Rule 3 of COMPANIES (APPOINTMENT & QUALIFICATION OF DIRECTORS) Rules 2014.
- (2) The company did not obtain consent of the members by a special resolution pursuant to section 180(1)(c) of Companies Act, 2013 in respect of long term borrowing which has exceeded aggregate of paid up share capital and free reserves.
- (3) The company did not obtain consent of the members by a special resolution pursuant to section 180 (1) (a) of companies Act, 2013 in respect of creation and modification of charge involving mortgage of immovable property of the company.
- (4) The company did not obtain prior approval of the members by a special resolution pursuant to first proviso of sub section (1) of section 188 of Companies Act, 2013 read with Rule 15 of COMPANIES (MEETINGS OF BOARD) RULES 2014 in respect of Guarantees and collaterals worth Rs. 747572700 received from Holding Company.



-
- (5) There was no separate meeting of Independent directors of the company as per the requirement of SCHEDULE IV and section 149 (8) of the companies Act, 2013.

I further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

I have not come across any event having a major bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standard etc. referred to above.

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 12th day of August, 2015

ANJAN KUMAR BANDYOPADHYAY
Company Secretary
FCS No. 4276
CP No. 7147

Annexure - 'A' to MR-3

To
The Members
ELLENBARRIE INDUSTRIAL GASES LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 12th day of August, 2015

ANJAN KUMAR BANDYOPADHYAY
Company Secretary
FCS No. 4276
CP No. 7147



ANNEXURE - 'D' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2015

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

I. REGISTRATION & OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Oxygen	20111	33%
2.	Nitrogen	20111	45%

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
b) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) State Govt.(s)	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) Bodies Corp.	—	—	—	0.00%	—	—	—	0.00%	0.00%
e) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (1)	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
(2) Foreign									
a) NRI Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Other Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Bodies Corp.	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
d) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (2)	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
Total (A)	49,06,315	—	49,06,315	74.94%	49,06,315	—	49,06,315	74.94%	0.00%
(B) Public									
(1) Institutions									
a) Mutual Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) State Govt.(s)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%



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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Insurance	—	—	—	0.00%	—	—	—	0.00%	0.00%
g) FIs	—	—	—	0.00%	—	—	—	0.00%	0.00%
h) Foreign Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
i) Others (specify)	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (1)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12,67,269	900	12,68,169	19.37%	12,68,130	900	12,69,030	19.38%	0.07%
ii) Overseas	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,690	13,006	18,696	0.29%	7,034	11,307	18,341	0.28%	(1.90%)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,12,800	—	3,12,800	4.78%	3,12,134	—	3,12,134	4.77%	(0.21%)
c) Others (specify)									
Non Resident Indians	300	—	300	0.00%	460	—	460	0.01%	53.33%
Overseas Corporate Bodies	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Nationals	—	—	—	0.00%	—	—	—	0.00%	0.00%
Clearing Members	—	—	—	0.00%	—	—	—	0.00%	0.00%
Trusts	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Bodies - DR	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (2)	15,86,059	13,906	15,99,965	24.44%	15,87,758	12,207	15,99,965	24.44%	0.00%
Total Public (B)	15,86,059	54,406	16,40,465	25.06%	15,87,758	52,707	16,40,465	25.06%	0.00%
C. Shares held by Custodian for GDRs & ADRs	—	—	—	0.00%	—	—	—	0.00%	0.00%
Grand Total	64,92,374	54,406	65,46,780	100.00%	64,94,073	52,707	65,46,780	100.00%	0.00%

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

ii) Shareholding of Promoter

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

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

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

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

As per A - 1

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



Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

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

v) Shareholding of Directors and Key Managerial Personnel :

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

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

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,096.00	3,787.00		13,883.00
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	10,096.00	3,787.00		13,883.00
Change in Indebtedness during the financial year				
* Addition	12,260.00			12,260.00
* Reduction	(5,274.00)	(584.00)		(5,858.00)
Net Change	6,986.00	(584.00)		6,402.00
Indebtedness at the end of the financial year				
i) Principal Amount	17,082.00	3,203.00		20,285.00
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	17,082.00	3,203.00		20,285.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL **As per A - 2**
A. Remuneration to Managing Director, Whole Time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount (Rs./Lac)
		Name				
	Designation	—	—	—	—	—
1.	Gross Salary	—	—	—	—	—
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—	—
	b) Value of perquisites u/s 17(2) Income tax Act, 1961	—	—	—	—	—
	c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—



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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount (Rs./Lac)
		Name				
	Designation	—	—	—	—	—
4.	Commission	—	—	—	—	—
	- as % of profit	—	—	—	—	—
	- others, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	—	—	—	—	—
	Ceiling as per the Act					

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
		Manas Kr. Dutta	Swapan Kr. Bhowmik	Prabir Kr. Dutt	
1.	Independent Directors				
	Fee for attending board committee	80,000.00	1,00,000.00	80,000.00	2,60,000.00
	Commission				
	Others, please specify				
	Total (1)	80,000.00	1,00,000.00	80,000.00	2,60,000.00
2.	Other Non-Executive Directors				
	Fee for attending board committee	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B) = (1+2)	80,000.00	1,00,000.00	80,000.00	2,60,000.00
	Total Managerial Remuneration				2,60,000.00
	Overall Ceiling as per the Act				

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs./Lac)
			K. Srinivas Prasad	Priyanka Jaiswal	
	Name		K. Srinivas Prasad	Priyanka Jaiswal	
	Designation	CEO	CFO	CS	
1.	Gross Salary	—	18,00,000	4,38,600	—
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—
	b) Value of perquisites u/s 17(2)	—	—	—	—
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
	Commission	—	—	—	—
4.	- as % of profit	—	—	—	—
	- others, specify	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total	—	18,00,000	4,38,600	—

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			NOT APPLICABLE		
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					



Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

A - 1

Sl. No.	Name of the Shareholder	As on 01-04-2014		As on 31-03-2015	
		No. of Shares Holding	% of the Shares	No. of Shares Holding	% of the Shares
1.	Heaven Commercial Pvt. Ltd.	1004068	15.34	1004068	15.34
2.	Popular Vanija Pvt. Ltd.	239102	3.64	239102	3.64
3.	Sarika Banka	61900	0.95	61700	0.94
4.	Anjali Agarwal	61900	0.95	61634	0.94
5.	Mahendra Kumar Saraogi	54000	0.82	54000	0.82
6.	Sunita Saraogi	54000	0.82	54000	0.82
7.	Governor of West Bengal	40500	0.62	40500	0.62
8.	Pushpalata Saraogi	40500	0.62	40500	0.62
9.	Kusumlata Saraogi	40500	0.62	40500	0.62
10.	Heaven Commercial Pvt. Ltd.	24000	0.37	24000	0.37
11.	Basant Kumar Daga	1800	0.03	1800	0.03
12.	Pankaj Kumar Roy	1800	0.03	1800	0.03
13.	Shiw Saran Tiwary	1700	0.01	1700	0.01
14.	Narayan Prasad Agarwalla	1700	0.01	1700	0.01
15.	Jagdish Chandra Chaubey	900	0.01	900	0.01
16.	Chemsworth Pvt. Ltd.	900	0.01	900	0.01
17.	Kiran Navinchandra Jhaveri	900	0.01	900	0.01
18.	Mahendra Singh	900	0.01	900	0.01
19.	Sudhansu Kumar De	850	0.01	850	0.01
20.	Siuli De	850	0.01	850	0.01

A - 2

	Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	K. Srinivas Prasad	Priyanka Jaiswal
	Designation	MD	WTD	WTD	CFO	CS
1.	Gross Salary	33,25,000	33,25,000	33,25,000	18,00,000	4,38,600
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—	—
	b) Value of perquisites u/s 17(2) Income tax Act, 1961	—	—	—	—	—
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
	Commission	—	—	—	—	—
4.	- as % of profit	—	—	—	—	—
	- others, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	33,25,000	33,25,000	33,25,000	18,00,000	4,38,600

ANNEXURE - 'E' TO BOARD REPORT

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Experience (in years)	Date of commencement of Employment	Gross Remuneration (in lakhs)	Last employment held by such employee	% of equity shares held by the employee	Whether employee is relative of any director, if yes, give name of such director
1.	Shanti Prasad Agarwala	Whole Time Director	B.Com	73	50	01.01.2001	33.25	—	7.6	Padam Kumar Agarwala; Varun Agarwal
2.	Padam Kumar Agarwal	Managing Director	B.Com (Hons.)	35	30	31.10.2001	33.25	—	7.6	Shanti Prasad Agarwala; Varun Agarwal
3.	Varun Agarwal	Executive Director	B.Sc (Economics); M.Phil in Economics from Cambridge University	31	10	14.08.2008	33.25	—	8.74	Shanti Prasad Agarwala; Padam Kumar Agarwala
4.	K. Srinivas	CFO	CA, CA, B.Com (Hons.)	47	23	17.12.2013	18	Airliquide India	Nil	Nil

Directors Remuneration during 2014-2015

Name	Amount for 2014-2015	Increase over 2013-2014	Times to Median Salary	Comparison to performance of the company
Shanti Prasad Agarwala	3325000	+29.9%	11.7 times	Sales increased by 42%, Earnings before Interest, Depreciation & Tax registered a marginal 0.3%, and Net Loss improved by 68.1%
Padam Kumar Agarwal	3325000	+29.9%	11.7 times	
Varun Kumar Agarwal	3325000	+29.9%	11.7 times	



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 : 12th day of August, 2015

NORIO SHIBUYA
Managing Director

K. SRINIVAS PRASAD
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 2014 - 15 :

I. Economic Overview & Outlook :

India's GDP growth improved to 7.2% in 2014 due to improving economic sentiments riding on a new government. However, demand at the grass root level remained stagnant. The year was marked with influx of cheap imported products consequently having adverse impact on local manufacturing sectors. Steel Sector which recorded 2.2% growth during 2014 - 15 is expected to keep growth momentum in 2015 - 16. Automotive sector which is on recovery path recorded 3.8% growth during 2014 - 15 is expected to grow 10%+ next year. The domestic pharmaceutical industry which grew 9% during 2014 - 15 is expected to grow at a similar momentum next year.

II. Operation and Sales Performance :

The economic recovery during FY 2014 - 15 had positive impact on the operations of the company. Customer base increased and cost base was optimized resulting in incremental benefits over previous year. However, challenges like lower margin and price pressure remains to be addressed over a longer period.

III. Financial Performance :

EIGL recorded negative PBT of Rs. 87 million during Financial Year 2014 - 15 (previous year Rs. 278 million) second year in a row owing to two major factors : less than optimum operation in the Eastern region and sharp increase in costs especially for Vizag plant. The analysis of major items of the financial statement is discussed as under :

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

	Financial Year 2014-2015	Financial Year 2013-2014	Change %
Income			
Revenue from Operations	873	679	29%
Other Income	14	24	(42%)
Total Revenue	887	703	26%

Sales volumes recovered during the year which was further enhanced by sales from the newly commissioned plant in Hyderabad.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

b) **Expenses :**

(Rs. Million)

	Financial Year 2014-2015	Financial Year 2013-2014	Change %
Expenses			
Cost of Materials Consumed	53	31	71%
Material Purchased for Trading	191	95	101%
Changes in Inventories of Stock-in-Trade	(70)	3	
Employee Benefits Expense	64	52	23%
Finance Costs	125	294	(57%)
Depreciation and Amortization Expense	53	75	(29%)
Other Expenses	559	431	30%
Total Expenses	975	981	(1%)

All expenses, except Finance Cost and Depreciation recorded increase in line with volume increase. Other expenses recorded a sharp increase following closure of power subsidy duration at one of the plants.

Finance Cost lower on account of restructuring carried out during the previous financial year.

Depreciation is lower mainly on account of change in depreciation policy starting the financial year 2014 - 15 with provisions of the new Companies Act, 2013 coming into force.

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

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

- 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.



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON 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

REPORT ON CORPORATE GOVERNANCE (Contd.)

in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.

- 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.
- h) **Inetrnal Finacial Control Policy, Vigil Mechanism Policy, Related Party Transaction Policy, remuneration policy**

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, 2015, consists of 9 directors out of which 3 directors are Independent Directors. The Chairman is an Independent Non-Executive Director. 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, WTD Mr. Varun Agarwal, ED
Non-Executive Director	Mr. Shunichi Takahashi Mr. Kensuke Yamamoto Mr. Ryosuke Matsubayshi
Independent Director	Mr. Manas Kumar Dutta Mr. Prabir Kumar Dutt Mr. Swapan Kumar Bhowmik



REPORT ON CORPORATE GOVERNANCE (Contd.)

No Director is, inter se, related to any other Director on the Board, except Mr. Shanti Prasad Agarwal, Mr. Padam Kumar Agarwala and Mr. Varun Agarwal who are related to each other.

Details of the Board Meetings

Five Board meetings were held during the period 01.04.2014 to 31.03.2015. The Company has held at least one Board Meeting in every three months and the gap between such two meetings was less than 120 days between two such meeting. The details of the Board meetings are as follows :

No.	Date of Board Meeting	Total Strength of the Board	No. of Directors present
1.	9th May, 2014	9	7
2.	13th August, 2014	9	9
3.	12th November, 2014	9	9
4.	12th December, 2014	9	5
5.	13th February, 2015	9	7

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 20.09.2014	No. of Directorship in other Companies ¹	No. of Membership in Committees of Directors in other Companies ²
Mr. Shanti Prasad Agarwala	4	Yes	9	—
Mr. Padam Kumar Agarwala	5	Yes	8	—
Mr. Varun Agarwal	4	Yes	5	—
Mr. Shunichi Takahashi	5	Yes	—	—
Mr. Masato Machida	3	Yes	—	—
Mr. Ryosuke Matsubayashi	4	Yes	—	—
Mr. Manas Kumar Dutta	4	Yes	3	—
Mr. Swapn Kumar Bhowmik*	5	Yes	—	—
Dr. Prabir Kumar Dutt*	4	Yes	1	—

*Became additional directors w.e.f. 09.05.2014

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. *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.*

Appointment 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 Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. 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. None of the Independent Directors is acting as an Independent Director in more than 7 listed companies. Independent Directors hold office for a term upto 5 consecutive years on the Board of the Company and eligible for re-appointment for another term upto 5 consecutive years on passing of a Special Resolution by the Company. The company issues a formal letter of appointment to the Independent Director in the manner as provided in Companies Act, 2013. The letter of appointment along with the detail profile of the Independent Director are disclosed on the website of the Company.

Performance evaluation of Independent Director

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

Familiarization Program of independent Director

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

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-



REPORT ON CORPORATE GOVERNANCE (Contd.)

executive directors, was well within the limits prescribed under the Companies Act, 2013 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.

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

Whistle Blower Policy

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

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 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 keeps the Board apprised of the overall performance of the Company.

The Board scrupulously follows SS1 on Board Meeting and complies with Statutory time limit on interval between two Board meetings.

Details of Directors:

Information of directors pursuant to SS-2 and clause 49 of the listing agreement are provided as an Annexure A1 to this Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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. The Committee consists of three directors with Independent directors forming the majority. The Audit committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures :

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.

The role of the committee includes the following :

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors and to review the manner of rotation of Statutory Auditors;
- c) To recommend the appointment, remuneration and removal of Cost Auditors, where necessary;
- d) To approve transactions of the Company with related parties, including modifications thereto;
- e) To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- f) To evaluate the Company's internal financial controls and risk management systems;
- g) To review with the management the following :
 1. Annual financial statements and Auditors Report thereon before submission to the Board for approval ;
 2. Quarterly financial statements before submission to the Board for approval ;
- h) To review the following :
 1. Management discussion and analysis of financial condition and results of operations ;
 2. Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and internal Auditors ;



REPORT ON CORPORATE GOVERNANCE (Contd.)

3. Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon ;
4. System / manner of maintenance, storage, retrieval, display, print out and security of books of account of the Company maintained in the electronic form;
5. Functioning of Whistle Blower mechanism in the Company.

Composition of the committee

As at 31st March, 2015 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)	4
Mr. Ajit Khandelwal	1
Mr. Shanti Prasad Agarwala	1
Mr. Prabir Kumar Dutt	1
Mr. Shunichi Takahashi	3

Audit Committee Meetings

Four Meetings of Audit Committee were held during the year 01.04.2014 to 31.03.2015. The dates on which the meetings of the Audit Committee were held are:

09.05.2014, 08.08.2014, 11.11.2014 and 13.02.2015

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 20th September, 2014.

4. Nomination & 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

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 Directors based on the performance and defined assessment criteria. The policy is provided in the Annexure forming part of this report. The role of the committee is in consonance with the clause 49 of the listing agreement.

Composition of the Committee

As at 31st March, 2015 the composition of the Committee is in line with requirements of revised Clause 49 of the Listing Agreement and the Companies Act, 2013, comprised of three members and two are Independent Directors.

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

Mr. Swapan Kumar Bhowmik (Chairman of the Committee)	Independent Director
Mr. Manas Kumar Dutta	”
Mr. Shunichi Takahashi	Non Executive Director

Meeting of the Committee

During the financial year ended 31st March, 2015, meeting of the Nomination & Remuneration Committee of the Board of Directors was held on 11.11.2014.

5. Stakeholders Relationship Committee

During the year 2014-15, the committee did not receive any complaints. There was no pending complaints from the shareholders as on 31st March, 2015.

6. Risk Management committee

The Board has constituted Risk Management Committee comprising of the the following members :

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

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

7. Related Party Transactions

All the Related Party Transactions are undertaken after the approval of the Audit Committee. The Company has disclosed the policy on dealing with Related Parties on its website.

8. Remuneration to Directors

The Board of the Directors of the Company has adopted a policy for determining and accounting for the remuneration of the Board Members, Key Management Personnel (KMPs) & Senior Management Personnel (SMPs). The Remuneration Policy is 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. 20,000/- 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

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, subject to compliance of the provisions of Companies Act, 2013. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

Details of remuneration paid to Whole-time Directors for the period ended 31st March, 2015 :

Director	Salary & Perks	Commission	Total per annum Rs. in lakh	Service Contract (Years)	Period
Mr. Padam Kumar Agarwala (Managing Director)	33.25	—	33.25	3 years	01.04.13 to 31.03.16
Mr. Shanti Prasad Agarwala (Whole Time Director)	33.25	—	33.25	3 years	01.04.13 to 31.03.16
Mr. Varun Agarwal (Executive Director)	33.25	—	33.25	3 years	01.04.13 to 31.03.16

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 01.04.2014 to 31.03.2015, the status of complaints are as under :

Complaints pending as on 01.04.2014	—	Nil
Complaints received from Investors	—	Nil
Complaints replied/resolved	—	Nil
Complaints pending as at 31.03.2015	—	Nil

9. Disclosures

- a) Disclosure on materially significant related party transaction, i.e., transactions of the Company of material nature, with its Promoters, the Directors and the Management, their Subsidiaries or Relatives etc., that may have potential conflict with the interests of the Company at large: None.
- b) Details of non-compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital market during the last three years: None.
- c) The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this report.
- d) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of conduct. Employees may also report to the Chairman of the Audit committee. During the year under review, no employee was denied access to the Audit Committee.

The said policy may be referred to, at the Company's website at the www.ellenbarrie.com



REPORT ON CORPORATE GOVERNANCE (Contd.)

10. GENERAL INFORMATION FOR SHAREHOLDERS

CIN of the Company	: L2412WB1973PLC029102
Date of Annual General Meeting & Time	: 18th September, 2015 Friday, at 3.00 P.M.
Venue	: THE CONCLAVE 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017
Financial Year	: 2014 - 2015
Book Closure	: From 12th September, 2015 to 18th September, 2015
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. Pharmacy, Parwada Visakhapatnam, Andhra Pradesh

REPORT ON CORPORATE GOVERNANCE (Contd.)

11. GENERAL BODY MEETING

Details of the Meeting held in last three years.

I) ANNUAL GENERAL MEETING :

Financial Year	Date and Time	Venue
2013 - 2014	20-09-2014 at 03.00 P.M.	THE CONCLAVE (OTHER ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017
2012 - 2013	30-09-2013 at 03.00 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

II) EXTRA ORDINARY GENERAL MEETING :

Financial Year	Date and Time	Venue
2013 - 2014	—	—
2012 - 2013	—	—
2011 - 2012	—	—

12. SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2014 to 31-03-2015, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2014 - March, 2015. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008.

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April	306.00	—
May	338.00	321.00
June	—	—
July	354.00	285.01
August	299.35	—
September	363.00	314.03
October	400.02	381.00
November	640.00	400.00
December	615.00	532.05
January	575.00	565.00
February	590.00	—
March	625.00	567.00



REPORT ON CORPORATE GOVERNANCE (Contd.)

13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	Value of Shares	% of Shareholding
1-500	173	86.93	7,695	76,950	0.12
501-1,000	8	4.02	5,300	53,000	0.10
1,001-2,000	4	2.01	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	2.01	1,45,500	14,55,000	2.23
50,001-1,00,000	4	2.01	2,31,800	23,18,000	3.50
1,00,001 and above	6	3.02	61,49,485	6,14,94,850	93.93
TOTAL	199	100.00	65,46,780	6,54,67,800	100.00

14. STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTER HOLDING			
Individual / HUF	3	15,67,457	23.94%
Bodies Corporate	1	33,38,858	51.00%
Total No. of Promoter Holding	4	49,06,315	74.94%
NON PROMOTER HOLDING			
Institution	—	—	—
Mutual Fund / UTI	—	—	—
Financial Institution/Bank	—	—	—
NON-INSTITUTION			
Bodies Corporate	10	12,69,030	19.38%
Indian Public	183	3,30,475	5.05%
NRI / OCB / Foreign National	1	460	0.01%
Central Govt. / State Govt.	01	40,500	0.62%
Total No. of Non promoter Holding	195	16,40,465	25.06%
Grand Total	199	65,46,780	100.00%

REPORT ON CORPORATE GOVERNANCE (Contd.)

15. 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.

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

While writing to the Company and / or Registrar and Transfer Agent, investor should mentioned 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.

17. 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 alongwith 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 alongwith the documents as required by them.

18. 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 Private Limited, 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.



ANNEXURE - A1 TO CORPORATE GOVERNANCE REPORT

Details of Directors

Name	Padam Kr. Agarwal	Shanti Prasad Agarwala	Varun Agarwal	Dr. Prabir Kumar Dutt	Swapan Kumar Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Masato Machida	Shunichi Takahashi	Kensuke Yamamoto
Din No.	00187727	00187729	01526576	00026833	00081626	01180693	06721947	06721942	06708315	07091189
Date of Birth	14.11.1960	07.08.1942	06.04.1984	14.03.1942	0.06.1945	01.09.1933	16.11.1964	26.09.1957	08.08.1953	28.05.1956
Original Date of appointment	31.10.2001	01.01.2001	14.08.2008	09.05.2014	09.05.2014	05.10.2006	05.11.2013	05.11.2013	05.11.2013	13.02.2015
Qualifications	B.Com (Hons)	B.Com	B.Sc (Economics); M.Phil in Economics from Cambridge University	M.Tech in Chemical Engineering & Chemical Technology; Phd.	Chemical engineering from IIT Bombay	B.Com (Hons), FCA	Graduate from Kyoto Institute of Technology, Faculty of Science	Law Graduate	Commerce Graduate	Economics Graduate from Tokyo university
Experience Shareholding in the company	30 years 497541 eq. Share	45 years 497541 eq. Share	10 years 572375 Eq. Share	45 years NIL	45 years NIL	50 years NIL	25 years NIL	32 years NIL	37 years NIL	35 years NIL
Remuneration Last drawn	3,50,000/- p.m	3,50,000/- p.m	3,50,000/- p.m	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Terms of appointment/										
Re-appointment	As per contract	As per contract	As per contract	Regularised as Director & ID w.e.f 20.09.14	Regularised as Director & ID w.e.f 20.09.14	Appointed as Independent Director w.e.f 20.09.14	Regularised as Director w.e.f 20.09.14	Regularised as Director w.e.f 20.09.14	Regularised as Director w.e.f 20.09.14	Will be Regularised as Director w.e.f 18.09.15
No. of Board Meeting attended										
Relationship of other director	Mr. Shanti Prasad Agarwala- father; Mr. varun Agarwal - Son	Mr. Padam Kr. Agarwala - Son; Varun Agarwal - Grandson	Mr. Shanti Prasad Agarwala - Grand father; Mr. Padam Kr. Agarwala - father	N.A	N.A	N.A	N.A	N.A	N.A	N.A

**ANNEXURE - A1 TO CORPORATE GOVERNANCE REPORT
Details of Directors**

Name	Padam Kr. Agarwal	Shanti Prasad Agarwala	Varun Agarwal	Dr. Prabir Kumar Dutt	Swapn Kumar Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Masato Machida	Shunichi Takahashi	Kensuke Yamamoto
Directorship held in other company	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd 3. Superior Tea & allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt Ltd. 6. Ellenbarrie Tea & Industries Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd 3. Superior Tea & allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt Ltd. 6. Ellenbarrie Tea & Industries Ltd. 7. Ellenbarrie Tea Co. Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd 3. Ellenbarrie Tea & allied Industries Ltd. 4. Ellenbarrie Cryogenics Ltd.	NIL	NIL	1. Comfort Share Trading Ltd	NIL	NIL	NIL	NIL
Membership in various committees	No	No	Risk management Committee	Audit Committee * Resigned w.e.f 21.04.2015	Remuneration Committee	Audit committee & Remuneration Committee	Risk Management Committee	NIL	Audit committee *resigned w.e.f 13.02.2015	NIL *became director w.e.f 13.02.15



REPORT ON CORPORATE GOVERNANCE (Contd.)

Nomination and Remuneration Policy

The Board of Directors of EIGL (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on May 9, 2014 with immediate effect, consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee
The Committee shall :

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
 - 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
 - 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.2. Policy for appointment and removal of Director, KMP and Senior Management
- 3.2.1. Appointment criteria and qualifications
 - a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 - b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years
 - 3.2.2. Term / Tenure
 - a) Managing Director/Whole-time Director :

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 - b) Independent Director :

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years



REPORT ON CORPORATE GOVERNANCE (Contd.)

or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

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

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General :

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any

REPORT ON CORPORATE GOVERNANCE (Contd.)

other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel :

a) Fixed pay :

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration :

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration :

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director :

a) Remuneration / Commission :

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees :

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission :

No commission shall be paid to the Independent directors.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.



REPORT ON CORPORATE GOVERNANCE (Contd.)

4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

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

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

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

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and
- 10.10 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

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

3A, Ripon Street
Kolkata - 700 016
Dated : 12th day of August, 2015

For and on behalf of the Board
NORIO SHIBUYA
Managing Director



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

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

12th August, 2015

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, 2015 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, 2015, 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, 2015 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, 2015.

Place : Kolkata
Date : 12th August, 2015

Norio Shibuya
Managing Director

K. Srinivas Prasad
Chief Financial Officer

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

I, Norio Shibuya, 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, 2015.

Kolkata
Dated : 12th day of August, 2015

For and on behalf of the Board
NORIO SHIBUYA
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, 2015, 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 : 12th day of August, 2015

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

AUDITORS' REPORT

TO THE MEMBERS

Report on the Financial Statements

I have audited the accompanying financial statements of ELLENBARRIE INDUSTRIAL GASES LTD. which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



AUDITORS' REPORT (Contd.)

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a) Note 31 to the financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company by a supplier.
- b) The financial statements indicates that the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss during the current and previous year, but the Company's current liabilities does not exceed its current assets as at the balance sheet date. There has been no default in repayment of loans or interest in respect of loans. The financial statements of the Company have been prepared on a going concern basis.

My opinion is not modified in respect of these matters.

As required by the Companies (Audit Report) Order, 2015, I report that :

- I)
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. However for its new unit at Hyderabad the fixed asset register is under compilation.
 - b) The fixed assets have been physically verified by the management at the year end and no material discrepancy was noticed on such verification.
 - II)
 - a) Physical verification of inventory has been conducted at reasonable intervals by the management.
 - 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 maintains proper record of inventory and no material discrepancy were noticed on physical verification.
 - III) 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 or services. There is no continuing failure to correct major weaknesses in internal control system.
 - IV) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, etc with the appropriate authorities and there is no arrear as at the last day of the financial year for a period of more than six months from the date they became payable.
 - V) The company's accumulated loss is more than fifty per cent of its net worth and the company has incurred cash loss this year and also in the immediately preceding year.
 - VI) Term loans were applied for the purpose for which the loans were obtained.
-

AUDITORS' REPORT (Contd.)

VII) The company has not defaulted in repayment of dues to a financial institution or bank or debentures holders.

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

Report on Other Legal and Regulatory Requirements

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

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report **subject to Note 9 (3) of Notes to Accounts Re: Change in basis of calculation of depreciation thus affecting the working result by Rs.2,98,95,961/-** are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, **barring non compliance of Accounting Standards 22 : Re : Deferred Tax and Accounting Standards 15: Re: retirement Benefits.**
- e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in my opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The company has adequate internal financial control systems over financial reporting in place.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

9/15, Fern Road
Kolkata - 700 019
Dated : 12th day of August, 2015

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



BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at 31.03.2015 ('000 Rs.)	As at 31.03.2014 ('000 Rs.)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	1	65,468	65,468
Reserves and Surplus	2	64,326	1,65,783
		<u>1,29,794</u>	<u>2,31,251</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	12,52,065	7,96,066
Deferred Tax Liabilities (Net)	4	2,574	2,574
		<u>12,54,639</u>	<u>7,98,640</u>
CURRENT LIABILITIES			
Short Term Borrowings	5	7,76,477	5,92,259
Trade Payables	6	63,433	60,452
Other Current Liabilities	7	1,00,006	1,11,391
Short Term Provisions	8	59,926	52,649
		<u>9,99,842</u>	<u>8,16,751</u>
TOTAL		<u><u>23,84,274</u></u>	<u><u>18,46,643</u></u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	9		
Tangible Assets		16,33,488	10,33,470
Intangible Assets		2,061	2,498
Capital Work-in-Progress		16,337	2,30,744
		<u>16,51,886</u>	<u>12,66,712</u>
CURRENT ASSETS			
Inventories	10	1,22,778	61,972
Trade Receivables	11	2,52,220	1,31,307
Cash and Cash Equivalents	12	21,401	10,911
Short Term Loans and Advances	13	3,35,989	3,75,741
		<u>7,32,388</u>	<u>5,79,931</u>
TOTAL		<u><u>23,84,274</u></u>	<u><u>18,46,643</u></u>

NOTES TO ACCOUNTS 21 to 36
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 : 12th day of August, 2015

On behalf of the Board of Directors

NORIO SHIBUYA
Managing Director

PRIYANKA JAISWAL
Company Secretary

PADAM KUMAR AGARWALA
Whole Time Director

K. SRINIVAS PRASAD
Chief Financial Officer

**ELLENBARRIE
INDUSTRIAL GASES LTD**

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For the Year Ended 31.03.2015 (‘000 Rs.)	For the Year Ended 31.03.2014 (‘000 Rs.)
INCOME			
Revenue from Operations	14	8,73,035	6,78,561
Other Income	15	13,520	23,745
Total Revenue		8,86,555	7,02,306
EXPENSES			
Cost of Materials Consumed	16	52,790	30,626
Material Purchased for Trading		1,90,928	95,264
Changes in Inventories of Stock-in-Trade	17	(70,097)	3,202
Employee Benefits Expense	18	63,703	51,613
Finance Costs	19	1,24,772	2,93,747
Depreciation and Amortization Expense	9	52,715	74,656
Other Expenses	20	5,58,507	4,31,328
Total Expenses		9,73,318	9,80,436
(Loss) before Exceptional & Extra Ordinary Items & Tax		(86,763)	(2,78,130)
Exceptional Items		—	—
Extra Ordinary Items		—	—
(Loss) before Tax		(86,763)	(2,78,130)
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	(6,406)
(Loss) for the year from Continuing Operations		(86,763)	(2,71,724)
Earnings Per Share (Rs.)			
Basic		(13.25)	(41.51)
Diluted		(13.25)	(41.51)

NOTES TO ACCOUNTS 21 to 36
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 : 12th day of August, 2015

On behalf of the Board of Directors

NORIO SHIBUYA
Managing Director

PRIYANKA JAISWAL
Company Secretary

PADAM KUMAR AGARWALA
Whole Time Director

K. SRINIVAS PRASAD
Chief Financial Officer



NOTES TO BALANCE SHEET as at 31st March, 2015

	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
1. SHARE CAPITAL		
Authorised		
2,10,00,000 Equity Shares of Rs. 10 each	2,10,000	2,10,000
4,00,000 9% Cumulative Redeemable Preference Shares of Rs. 100 each	40,000	40,000
	<u>2,50,000</u>	<u>2,50,000</u>
Issued, Subscribed and Paid-up		
65,46,780 Equity Shares of Rs. 10 each	65,468	65,468
	<u>65,468</u>	<u>65,468</u>

- a) There is no change in number of shares outstanding as at 31st March, 2015 and 31st March, 2014
- b) As at 31st March, 2015 Air Water Inc., Osaka, Japan as the Holding Company holds 33,38,858 shares (51% of shares) (previous year 33,38,858) No other Associate or 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, 2015		As at 31st March, 2014	
	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	33,38,858	51.00
Mr. Shanti Prasad Agarwala	4,97,541	7.60	4,97,541	7.60
Mr. Padam Kumar Agarwala	4,97,541	7.60	4,97,541	7.60
M/s. Heaven Commercial Pvt. Ltd.	10,28,068	15.70	10,28,068	15.70
Mr. Varun Agarwal	5,72,375	8.74	5,72,375	8.74

- 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, 2015 (Contd.)

	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Financial Statements	1,442	1,442
	1,442	1,442
Capital Redemption Reserve		
As per last Financial Statements	600	600
	600	600
Revaluation Reserve		
As per last Financial Statements	2,31,963	—
Add : Recognised During the year	—	2,31,963
	2,31,963	2,31,963
Foreign Currency Translation Difference		
As per last Financial Statements	3,722	—
Add / (Less) : Difference Arising during the Year	(14,695)	3,722
	(10,973)	3,722
General Reserve		
As per last Financial Statements	1,94,847	1,94,847
	1,94,847	1,94,847
Profit & Loss Account		
As per last Financial Statements	(2,66,790)	4,934
Add : (Loss) for the year	(86,763)	(2,71,724)
	(3,53,553)	(2,66,790)
Net Deficit	(3,53,553)	(2,66,790)
Total	64,326	1,65,783
3. LONG-TERM BORROWINGS		
Secured		
From Banks		
A) From Bank of Baroda	—	1,79,002
(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.)		



NOTES TO BALANCE SHEET as at 31st March, 2015 (Contd.)

	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
B) From Bank of Tokyo Mitsubishi UFJ (Secured by corporate / bank guarantee from Holding Company)	2,00,291	—
C) From Japan Bank for International Cooperation (Secured by corporate / bank guarantee from Holding Company)	3,00,436	—
D) From Sumitomo Mitsui Banking Corporation (Secured by corporate / bank guarantee from Holding Company)	1,10,000	—
E) From WBFC (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme)	2,200	12,100
F) Car Loan from Banks (Secured by hypothecation of vehicles purchased under the Scheme)	1,074	1,546
G) Truck Loan from Tata Motors Finance Ltd. (Secured by hypothecation of vehicles purchased under the Scheme)	—	343
H) From Barclays Bank Plc (Secured by corporate / bank guarantee from Holding Company and pledge of personal assets of some Directors)	3,97,452	3,80,130
I) From Kotak Mahindra Bank (Secured by corporate / bank guarantee from Holding Company)	2,40,613	2,01,695
Unsecured		
From Others		
J) Loan from Body Corporates	—	21,250
	<u>12,52,065</u>	<u>7,96,066</u>

Term of Repayment

- A) From Bank of Baroda
Entire loan fully settled during the year
- B) From Bank of Tokyo Mitsubishi UFJ
USD 32,00,000 to part finance Hyderabad project repayable in 13 HY installments of USD 2,46,000 each starting June, 2018 and ending June, 2024.
- C) From Japan Bank for International Cooperation
USD 48,00,000 to part finance Hyderabad project repayable in 14 HY installments of USD 3,44,000 each starting September, 2018 ending March, 2025.

NOTES TO BALANCE SHEET as at 31st March, 2015 (Contd.)

- D) From Sumitomo Mitsui Banking Corporation
Repayable in 10 HY installments of Rs. 1,10,00,000 each starting September, 2017 and ending March, 2022.
- E) From WBFC :
Rs. 22 lacs, repayable in quarterly instalments of Rs. 11 lacs each, maturing by August, 2015
- F) Car Loan from Banks
- i) Rs. 5.07 Lacs, repayable in monthly EMIs of Rs. 0.16 lacs each (including interest), maturing August, 2017
- ii) Rs. 10.39 Lacs, repayable in monthly EMIs of Rs. 0.40 lacs each (including interest), by November, 2016.
- G) Truck Loan from Tata Motors Finance Ltd.
Fully settled during the year.
- H) From Barclays Bank plc
- i) USD 1.6 Million, repayable in single installment maturing in October, 2016
- ii) USD 4.75 Million, repayable in single installment maturing in April, 2016 with option to roll over.
- I) From Kotak Mahindra Bank
- i) USD 3.4 Million, repayable in semi-annual instalment of USD 2,80,773 each maturing by March, 2017.
- ii) USD 1.1 Million, repayable in semi-annual instalment of USD 94,227 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 31.03.2015 ('000 Rs.)	Deferred tax (asset)/liability 31.03.2014 ('000 Rs.)
4. DEFERRED TAX LIABILITIES (NET)		
On difference in depreciation	5,067	5,067
On provision for Bad / Doubtful Debts	(1,824)	(1,824)
On Employee Benefits	(669)	(669)
	2,574	2,574
Deferred Tax liability / (asset) adjusted to Profit & Loss during the year	—	(6,406)

In view of the Losses during the financial year ending March 31, 2015 and the immediately preceding financial year, the Management has assessed deferred tax for the year as Nil.



NOTES TO BALANCE SHEET as at 31st March, 2015 (Contd.)

	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
5. SHORT TERM BORROWINGS		
Cash Credit from Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of three Directors.)	1,11,177	2,34,859
Short Term Loan from Sumitomo Mitsubishi Banking Corporation (Secured by corporate guarantee from Air Water Inc., Japan)	1,00,000	—
Short Term Loan from Bank of Tokyo Mitsubishi UFJ (Secured by corporate guarantee from Air Water Inc., Japan)	2,45,000	—
Loan from Directors (Unsecured)	3,20,300	3,57,400
	<u>7,76,477</u>	<u>5,92,259</u>
There has been no default in repayment of loan or interest		
6. TRADE PAYABLES		
For Goods & Services	63,433	60,452
	<u>63,433</u>	<u>60,452</u>
7. OTHER CURRENT LIABILITIES		
Deposit from Customers	88,579	1,02,637
Advance from Customers	6,705	—
Duties & Taxes Payable	4,722	8,754
	<u>1,00,006</u>	<u>1,11,391</u>
8. SHORT TERM PROVISIONS		
Bonus	1,562	1,135
Gratuity	5,564	4,383
Provision for Expenses	3,989	165
Central Excise Duty	1,845	—
Provisions for Taxation	46,159	46,159
Provisions for FBT	807	807
	<u>59,926</u>	<u>52,649</u>

NOTES TO BALANCE SHEET as at 31st March, 2015 (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 01-04-2014 (‘000 Rs.)	Additions (‘000 Rs.)	Revaluation ¹ Adjustment (‘000 Rs.)	As at 01-04-2014 (‘000 Rs.)	Additions (‘000 Rs.)	Adjustment (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
Tangible Assets :								
Freehold Land ¹	1,61,074	—	—	1,61,074	—	—	1,61,074	1,61,074
Leasehold Land ¹	1,22,901	—	—	1,22,901	2	—	1,22,899	1,22,899
Buildings	56,431	74,887	—	1,31,318	14,365	2,370	1,14,583	42,066
Roads	410	—	—	410	3	40	367	406
Computers and Softwares	5,377	311	—	5,688	4,345	474	870	1,032
Electrical Installations and Equipments	64,311	32,105	—	96,416	16,914	10,935	68,567	47,397
Furniture & Fittings	3,860	855	—	4,714	2,418	336	1,961	1,442
Motor Vehicles	12,472	—	1,408	11,065	8,015	892	3,414	4,457
Office Equipments	1,867	163	36	1,994	1,157	462	411	711
Plant and Machinery	12,24,795	5,44,391	3,239	17,65,947	5,72,809	36,537	11,59,343	6,51,986
Work-in-progress ²	2,30,744	15,513	2,29,920	16,337	—	—	16,337	2,30,744
Sub-Total	18,84,242	6,68,225	—	23,17,864	6,20,028	52,046	16,49,825	12,64,214
Intangible Assets								
Computer Software	4,373	233	—	4,606	1,876	669	2,061	2,498
Total as on 31.03.2015	18,88,616	6,68,457	—	23,22,470	6,21,904	52,715	16,51,886	12,66,712
Total as on 31.03.2014	14,63,252	2,20,536	2,31,963	18,88,616	5,52,992	74,656	12,66,712	—

Notes :

- Cost includes addition due to revaluation to the extent of NIL (Previous year 2,31,963)
- Work in Progress includes Capital Advances NIL (Previous year 1,43,086)
- During the year ended 31st March, 2015, the Management based on internal assessment and technical evaluation, reassessed remaining useful lives of all assets with effect from April 1, 2014.
Accordingly, useful lives of assets required a change from previous estimates (which was based on Schedule XIII of the earlier prevailing Companies Act, 1956). Had the company continued with previously assessed useful lives the charge for depreciation / amortization for the year ending March 31, 2015 would have been higher by 29,896.



NOTES TO BALANCE SHEET as at 31st March, 2015 (Contd.)

	As at 31.03.2015 (‘000 Rs.)	As at 31.03.2014 (‘000 Rs.)
10. INVENTORIES		
(As taken, Valued & certified by the Management)		
Raw Materials (At cost)	1,045	3,795
Finished Goods (At lower of cost or net realisable value)	16,603	22,544
Trading Goods (At cost)	95,438	19,218
Shares & Securities (At lower of cost or market value)	348	530
Stores & Spares (At cost)	9,344	15,886
	<u>1,22,778</u>	<u>61,972</u>
11. TRADE RECEIVABLES		
Unsecured, Considered good		
Outstanding for a period exceeding six months	81,279	37,316
Others	1,81,843	99,893
	<u>2,63,122</u>	<u>1,37,209</u>
Less : Provision for Bad & Doubtful Debts	10,902	5,902
	<u>2,52,220</u>	<u>1,31,307</u>
12. CASH AND CASH EQUIVALENTS		
Balance with Banks :		
In Current Account	1,776	2,262
In Unpaid Dividend Account	137	137
In Margin Deposit Account	18,753	7,801
Cash in hand	735	712
	<u>21,401</u>	<u>10,911</u>
13. SHORT TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	40,132	37,349
Advance against supply of Goods and Services	1,11,253	96,118
Prepaid Expenses	3,100	3,221
Loans & Advances to Employees	269	219
Advance Income Tax & TDS	50,481	49,637
Subsidy Receivable	1,30,754	1,89,197
	<u>3,35,989</u>	<u>3,75,741</u>

NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2015

	Year Ended 31.03.2015 (‘000 Rs.)	Year Ended 31.03.2014 (‘000 Rs.)
14. REVENUE FROM OPERATIONS		
Sale of Products	7,95,111	5,73,376
Sale of Traded Goods	1,00,097	1,03,084
	8,95,208	6,76,460
Other Operating Revenues	49,677	51,014
Total Revenue	9,44,885	7,27,474
Less : Excise Duty	71,850	48,914
	8,73,035	6,78,561
15. OTHER INCOME		
Interest Income		
On Bank Deposits	1,168	9,340
On Others	3,073	4,847
	4,241	14,187
Net gain on sale of Investments	—	—
Profit on sale of Fixed Assets (Net)	6,288	6,753
Dividend	—	7
Excess Liabilities and Unclaimed Balances written back	5	—
Sundry Receipts	783	1,369
Duty Draw back Receipt	479	5
Insurance Claim Received	1,724	1,423
	9,279	9,558
	13,520	23,745
16. COST OF MATERIAL CONSUMED		
Calcium Carbide	35,237	10,842
Gases	17,553	19,784
	52,790	30,626
17. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the beginning of the year		
Finished Goods	22,544	15,379
Trading Goods	19,218	29,489
Shares	530	626
	42,292	45,494
Inventories at the end of the year		
Finished Goods	16,603	22,544
Trading Goods	95,438	19,218
Shares	348	530
	1,12,389	42,292
(Increase)/Decrease in Inventories	(70,097)	3,202



NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2015 (Contd.)

	Year Ended 31.03.2015 (‘000 Rs.)	Year Ended 31.03.2014 (‘000 Rs.)
18. EMPLOYEE BENEFITS EXPENSES		
Salaries, Bonus & Wages	50,748	41,259
Gratuity (including for earlier years Rs. 14,51,158)	1,451	823
Contribution to Provident & Other Funds	953	1,319
Directors Remuneration	9,975	7,678
Staff Welfare Expenses	576	534
	<u>63,703</u>	<u>51,613</u>
19. FINANCE COST		
Interest Expenses		
On Term Loans	38,146	40,838
On Cash Credit	19,587	22,241
On Unsecured Loan	50,720	42,564
On Truck / Car Loans	238	238
	<u>1,08,691</u>	<u>1,05,880</u>
Exchange Difference on Foreign Currency Loans		
Exchange Fluctuation - Repayment of Foreign Currency Loans	11,718	1,88,140
Amortisation of Translation Difference on Foreign Currency Loans	4,363	(273)
	<u>16,081</u>	<u>1,87,867</u>
	<u>1,24,772</u>	<u>2,93,747</u>
20. OTHER EXPENSES		
Consumable Stores - Consumed	18,192	13,862
Excise Duty on Closing Stock	1,853	496
Power consumed	4,71,356	4,29,671
(Less : Subsidy Receivable)	(41,725)	(1,01,946)
Repair Building	190	572
Repair Machinery	8,259	9,024
Repair Others	190	396
Transportation Charges (Net)	27,642	21,217
Selling Expenses	6,916	6,489
Rent	709	103
Rates & Taxes	4,798	4,155
Insurance	3,232	1,245
Travelling & Conveyance	3,752	3,036
Auditor's Remuneration :		
As Statutory Audit Fees	100	100
As Tax Audit Fees	20	20
Others	60	70
Cost Audit Fees	—	60
Bank Charges	7,124	4,515
Provision for Doubtful Debts	5,000	5,902
Directors Sitting Fees	271	128
Other Misc. Expenses	40,567	32,213
	<u>5,58,507</u>	<u>4,31,328</u>

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015

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**

Depreciation on tangible assets, after retaining residual value at 5% of original cost, is provided on straight line method over the useful life of assets estimated by the Management. Depreciation for assets created / sold / disposed off during a period is proportionately charged. Intangible assets are amortized over their estimated useful lives using straight line method.

The Management estimates useful lives for fixed assets as follows¹ :

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

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

Depreciation and amortization methods, useful lives and residual values are reviewed at periodical intervals (Refer to Note 9)



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

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

h) **Borrowing Cost**

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

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

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.”



22. Particulars of Raw Materials Consumed :

	2014 - 2015		2013 - 2014	
	Quantity	Value ('000 Rs.)	Quantity	Value ('000 Rs.)
Indigenous (Cu.m.)	37,11,627	31,225	6,12,637	12,528
(Kg.)	10,63,955	7,865	12,78,740	8,623
Imported (Kg.)	3,36,700	13,700	2,39,100	9,475,

23. Value of stores & spares consumed :

	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Indigenous	18,192	100.00%	13,833	99.99%
Imported	—	—	29	0.01%

24. Value of Import on CIF basis :

	2014-2015	2013-2014
	Rs.	Rs.
a) Capital Goods	1,42,921	483
b) Trading Goods	1,42,571	68,310
c) Spares	—	29
d) Raw Material	10,951	12,672

25. Earning in Foreign Currency :

Revenue from Export on F.O.B. basis	38,631	20,071
-------------------------------------	--------	--------

26. Expenditure in Foreign Currency :

Travelling Expenses	654	153
Trading Goods	1,42,571	7,943
Raw Materials	10,952	3,766
Spares	—	21
Advance for Capital Goods	1,42,921	117
Term Loan Repayment	3,37,683	—
Interest & Bank Charges	25,666	—
Business Development Expenses	332	—
Fees & Subscription	167	—

27. Dividend remittance to Non-resident shareholders	Nil	Nil
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NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

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.

30. CONTINGENT LIABILITIES :	2014-2015	2013-2014
Claims against the company not acknowledged as debts :	Rs.	Rs.
Tax Disputes :		
Central Excise Duty & Service Tax	34,476	21,786
Sales Tax & VAT	40,890	31,592
Income Tax	6,027	173
Other Disputes :	—	—
Supplier Claims	35,000	—
	1,16,393	53,551

Forums where tax disputes are pending are summarized below :

Name of the Statute	Nature of Dues	Amount in Rs.	Period which the amount relates	Forum where dispute pending
Sales Tax & Value Added Tax Laws	Sales Tax, VAT & Purchase Tax	25,674	2005 - 06	Revision Board Upto Appellate Commissioners
		2,708	2006 - 07	
		383	2007 - 08	
		1,786	2008 - 09	
		8,059	2010-11 to 2011-12	
Value Added Tax Laws	Entry Tax	2,279	2013-14 to 2014-15	High Court
Central Excise Act, 1944	Excise Duty	14,649	2003-04 to 2010-11	CESTAT
Central Excise Act, 1944	Excise Duty	17,869	2006-07 to 2011-12	Upto Appellate Commissioners
Finance Act, 1994	Service Tax	1,959	2009-10 to 2011-12	Upto Appellate Commissioners
Income Tax Act, 1961	Income Tax	6,027	Assessment Years 2010-11 to 2012-13	Upto Appellate Commissioners
		81,393		

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



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

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

32. EARNING PER SHARE

(i) Profit after Tax attributable to Equity Shareholders ('000 Rs.)	(86,763)	(2,71,724)
(ii) Weighted average number of Equity Shares of Rs. 10 each outstanding during the period	65,46,780	65,46,780
(iii) Basic / Diluted Earnings per Share (in Rs.) [(ii) / (i)]	(13.25)	(41.51)

33. 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 Norio Shibuya	-	Managing Director
Shri Padam Kumar Agarwala	-	Whole Time Director
Shri Shanti Prasad Agarwala	-	Whole Time Director
Shri Varun Agarwal	-	Executive Director
Shri K. Srinivas Prasad	-	Chief Financial Officer
Ms. Priyanka Jaiswal	-	Company Secretary

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

c) **Transactions with Related Parties :**

Nature of Transactions	Holding Company	Associates	Key Management Personnel
Salaries / Remuneration	—	—	11910 (7678)
Equipment Hiring	—	2000 (2000)	—
Office Rent paid	—	180 (24)	—
Interest Paid on Loans	—	2798	47687 (23420)
Loans Received during the year	—	—	— (356950)
Guarantees & Collaterals received during the year	955722 (747573)	—	— (122113)
Balance Outstanding at the end of the year :			
Advance for Value to be Received	—	2261 (2261)	—
Trade Payables	—	— (3497)	122 (27826)
Borrowings	—	—	320300 (357400)
Guarantees & Collaterals outstanding	1493646 (747573)	—	— (122113)

Note : Figure in brackets relate to corresponding previous year.

34. **Segment Reporting :**

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

a) The Company has two primary business segments :

- (i) Gases and related products
- (ii) Sheets

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

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

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



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2015 (Contd.)

Segment Reporting	Year Ended 31.03.2015 (‘000 Rs.)	Year Ended 31.03.2014 (‘000 Rs.)
REVENUE EXTERNAL (NET OF EXCISE DUTY)		
Gases and related products	7,92,777	5,99,420
Sheets	80,258	79,141
TOTAL	8,73,035	6,78,561
DEPRECIATION		
Gases and related products	52,715	74,627
Sheets	—	29
TOTAL	52,715	74,656
LOSS BEFORE TAX AND EXTRA ORDINARY ITEMS		
Gases and related products	(88,165)	(2,71,302)
Sheets	1,402	(6,829)
TOTAL	(86,763)	(2,78,130)
NET FIXED ASSETS		
Gases and related products	16,35,549	10,35,968
Sheets	—	—
TOTAL	16,35,549	10,35,968
CURRENT ASSETS		
Gases and related products	7,23,737	5,79,127
Sheets	8,651	804
TOTAL	7,32,388	5,79,931
CURRENT LIABILITIES		
Gases and related products	9,58,683	8,12,425
Sheets	41,159	4,327
TOTAL	9,99,842	8,16,751
CAPITAL EXPENDITURE		
Gases and related products	4,23,023	17,886
Sheets	—	—
TOTAL	4,23,023	17,886

35. Valuation of Shares & Securities at Note 10 above contains some shares which are valued at cost in view of suspension of trading of such shares on recognized stock exchange.
36. Previous year's figures are re-grouped and re-arranged, wherever necessary. Notes 1 to 36 as above.

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 : 12th day of August, 2015

On behalf of the Board of Directors

NORIO SHIBUYA
Managing Director

PRIYANKA JAISWAL
Company Secretary

PADAM KUMAR AGARWALA
Whole Time Director

K. SRINIVAS PRASAD
Chief Financial Officer

CASH FLOW STATEMENT for the year ended 31st March, 2015

	Year Ended 31.03.2015	Year Ended 31.03.2014
	('000 Rs.)	('000 Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before Tax	(86,763)	(2,78,130)
Adjustments For :		
- Depreciation	52,715	74,656
- Interest Expenses	1,24,772	2,93,906
- Interest Income	(4,241)	(14,187)
- Sundry Balance w/off	—	—
- Loss / (Profit) on Sale of Fixed Assets	(6,288)	(6,753)
- Dividend	—	(7)
Operating profit before working capital changes	<u>80,195</u>	<u>69,484</u>
Movements in working capital :		
- Increase/(decrease) in trade payables	2,981	(12,299)
- Increase/(decrease) in short-term borrowings	1,84,218	(70,164)
- Increase/(decrease) in other current liabilities	(11,385)	129
- Increase/(decrease) in short term provisions	7,277	(1,059)
- (Increase)/decrease in trade receivables	(1,20,913)	(441)
- (Increase)/decrease in inventories	(60,806)	(4,180)
- (Increase)/decrease in Subsidy Receivable	(38,800)	(99,034)
- (Increase)/decrease in short-term loans & advances	79,395	(21,938)
CASH GENERATED FROM OPERATIONS	<u>1,22,162</u>	<u>(1,39,502)</u>
- Direct Taxes Paid (Net)	(844)	(1,571)
Net Cash Flow from Operating Activities	<u>1,21,318</u>	<u>(1,41,073)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchases of Fixed Assets	(4,23,023)	(17,886)
- Increase in CWIP	(15,513)	(1,87,303)
- Sale of Fixed Assets	6,936	12,796
- Interest Received	4,241	14,187
- Dividend Received	—	7
Net Cash used in Investing Activities	<u>(4,27,360)</u>	<u>(1,78,198)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Long term borrowings	9,85,592	8,26,295
- Repayment of Long term borrowings	(5,48,651)	(2,78,332)
- Payment of Interest	(1,20,409)	(2,94,179)
Net Cash from / (used) in Financing Activities	<u>3,16,532</u>	<u>2,53,783</u>
Net (Decrease) / Increase in Cash and Cash Equivalentents (A+B+C)	<u>10,490</u>	<u>(65,487)</u>
Opening Cash and Cash Equivalent	10,911	76,398
Closing Cash and Cash Equivalent	<u>21,402</u>	<u>10,911</u>
	(10,490)	65,487

On behalf of the Board of Directors

NORIO SHIBUYA <i>Managing Director</i>	PADAM KUMAR AGARWALA <i>Whole Time Director</i>	PRIYANKA JAISWAL <i>Company Secretary</i>	K. SRINIVAS PRASAD <i>Chief Financial Officer</i>
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Dated : 12th day of August, 2015

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 : 12th day of August, 2015