ANNUAL

2006-07

ELLENBARRIE INDUSTRIAL GASES LTD

ELLENBARRIE INDUSTRIAL GASES LTD

DIRECTORS

Shri Shanti Prasad Agarwala, *Managing Director*
Shri Padam Kumar Agarwala, *Executive Director*
Shri Indrajit Mookerjee, *Director, Technical and Planning*
Shri Ajit Khandelwal
Shri Samindra Kumar Gupta
Shri Manas Kumar Dutta
Shri Sovan Kumar Dutta, *Nominee of WBFC*

AUDITORS

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

SECRETARY

Shri Anjan Kumar Bandyopadhyay

REGISTERED OFFICE

3A, Ripon Street
Kolkata-700 016

FACTORY

Kalyani Works
Block 'D', Plot 25
Kalyani Industrial Estate
P.O. Kalyani, Dist. Nadia
West Bengal

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

PRINCIPAL BANKER

Bank of Baroda

NOTICE

Notice is hereby given that Thirty Third Annual General Meeting of the Company will be held at the Registered Office at 3A, Ripon Street, Kolkata-700 016 on Saturday the 29th September, 2007 at 11.00 A. M.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2007 and also the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri Ajit Khandelwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Samindra Kumar Gupta who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. A. K. Kumar & Company, Chartered Accountant as Statutory Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
5. To declare dividend on Equity Shares for the year ended 31st March, 2007.

SPECIAL BUSINESS

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

   "RESOLVED that Mr. Manas Kumar Dutta who was appointed by the Board of Directors as an Additional Director of the Company with effect from 5th October 2006 and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act and in respect of whom the Company has received a Notice in writing under section 257 of the Companies Act from a member proposing his candidature for the office of Director be and is hereby appointed as a director liable to retire by rotation."

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 1st day of September, 2007

By Order of the Board

S. P. AGARWALA
Managing Director

NOTES :

a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.

   Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting.
b. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2007 to 29th September, 2007 (both days inclusive).
c. The Dividend for the year ended 31st March, 2007 if sanctioned at the meeting will be payable to those Members whose names appear in the Company's Register of Members as on 29th September, 2007.
d. The Equity Shares of the Company can be dematerialised by the Shareholders under IS IN INE236E with National Securities Depository LTD (NSDL) or Central Depository Services (India) LTD (CDSL) for which they may contact the depository participant of either of the above depositories.
e. Shareholders who hold Shares in dematerialised form may please note that Company mandatorily will be printing on the dividend warrants as advised by the Securities and Exchange Board of India

NOTICE (Contd.)

(SEBI), the Shareholder's Bank account details as furnished by the respective Depositories to the Company. The Company will not act on any request received directly from the Shareholders for any changes in their bank account details.

f. Shareholders who continue to hold shares in physical form are requested to intimate any change in their address to the Registrars and Share Transfer agent immediately. Shareholders holding shares in dematerialised form are required to get their change of address recorded with their Depository participant.

g. The relative explanatory Statement, pursuant to Section 173(2) of the Companies Act 1956 in respect of the business under Item No. 6 is attached herewith.

h. Information regarding reappointment of Directors as required under Clause 49 of the listing agreement :-

MR. AJIT KHANDELWAL is a Director of serveral Public Limited Companies and Private Limited Companies. He is the Managing Director of BNK Capital Markets Ltd. He has extensive training and experience in the basics of financial management and has 27 years of experience to his credit in Stock broking, investment advisory, merchant Banking and equity research.

Except Mr. Ajit Khandelwal, none of the other Directors is interested in the proposed resolution.

Directors recommend the resolution for approval.

MR. SAMINDRA KUMAR GUPTA is a honours graduatge in Economics from Calcutta University and also a Law Graduate from the same University. He had held responsible position in State Bank of India in his Service Career. Later he became a finance Consultant and handled the problems of small and large industrial houses. He is a Director of serval Companies and has 60 years of experience to his credit in areas of Banking and finance.

Except Mr. Samindra Kumar Gupta, none of the other Directors is interested in the proposed resolution.

Directors recommend the resolution for approval.

EXPLANATORY STATEMENT

Item No. 6

MR. MANAS KUMAR DUTTA who was appointed by the Board as an additional Director at its meeting held on 5th October 2006, will hold office upto the date of this Annual General Meeting in accordance with Section 260 of the Companies Act.

The Company has received a Notice in writing from a member under Section 257 of the Companies Act proposing his candidature for the office of Director. Mr. Manas Kumar Dutta is a fellow member of the Institute of Chartered Accountant of India since 1969 and he has wide experience in diverse nature of Industries. He is on the Board of 1) SHIMANSU VYAPARIKKENDRA LTD. 2) KRICO TRADERS LTD.

Except Mr. Manas Kumar Dutta, no other Director is interested in the resolution.

Directors recommend the resolution for approval.

Registered Office :
3A, Ripon Street
Kolkata - 700 016

Dated : 1st day of September, 2007

By Order of the Board

S. P. AGARWALA
Managing Director

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors are pleased to present their Thirty third Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

	2006-07	2005-06
		(Rs. in lacs)
Total Revenue	4,766.69	3,181.34
Turnover	4,366.63	2,757.76
Other Income	400.06	423.58
Profit before Taxation	640.55	209.89
Provision for Taxation	106.60	16.00
Deferred Tax	25.40	108.07
Fringe Benefit Tax	2.60	2.48
Balance brought forward from Previous year	46.93	23.92
Profit available for appropriation	552.87	107.25
APPROPRIATION		
Dividend	65.47	32.73
Dividend Tax	11.13	4.59
Transfer to General Reserve	450.00	23.00
Balance carried forward	26.27	46.93

BUSINESS PERFORMANCE

Your company completed a highly successful period of operations in 2006-2007. During this period profit before Taxation was increased to Rs. 640.55 lacs as compared to Rs. 209.89 lacs in the previous year. The Company is aggressively pursuing various growth opportunities in existing/and allied area of activity. Higher capacity utilisation, better operational efficiency and strategic direction were responsible for achieving highly successful year.

FUTURE PROSPECTS

Date to growth of Industrial activities in India, there will be steady increase in market demand for Industrial gases particularly in Industries such as Steel, metallurgical, glass, oil, electronics, fibre optics, Food and healthcare segment.

In view of rising demand for Industrial gases and expected enhancement of activities of the Company

DIRECTORS' REPORT (Contd.)

Sri Indrajit Mookerjee, B.Tech (Hons) M.S. U.S.A. who had 36 years of experience in India and abroad at a very senior level including the position of Managing Director of Praxair India and India Foils, has been appointed as Director (Technical and Planning) of the Company with effect from 27.3.2007.

The Company has an ambitious plan for future expansion of manufacture of Industrial gases. Of late the Company has purchased land at Vishakapatnam for installation of large tonnage plant which will cater to the requirements of Southern part of India. Thus the Company hitherto concentrating on business in Eastern part of India will expand its horizon in Southern Part in the near future.

DIVIDENDS

Your directors are pleased to recommend dividend @ 10% which together with dividend tax will absorb Rs. 76.60 lacs. On your approval, the dividend will be disbursed to the members whose names will appear on the register of members of the Company on 29th September 2007.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on representations received from the operating management confirm :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the financial year ended on 31st March, 2007.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts have been prepared on a going concern basis.

EMPLOYEE RELATIONS

Relation between Employees and management continued to be cordial during the year. There being no employees of the Company exceeding the limit specified under Section 217 (2A) of the Companies Act, 1956 read with rules thereunder, the Company is not required to furnish such information.

DIRECTORS

In accordance with provisions of Companies Act, 1956 read with Articles of Association of the Company — Shri Samindra Kumar Gupta and Shri Ajit Khandelwal retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT (Contd.)

AUDITORS

The observations made in the Auditors report are self explanatory and do not call for any further comments.

M/s. A. K. Kumar & Co., Chartered Accountants and Auditors of the Company, retire, and being eligible, offer themselves for appointment.

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

1. The Company has been able to improve the power factor by installing capacitor at Uluberia plant.
2. On-going energy conservation measures such as demand management by close monitoring of Finished Goods inventory level and market offtake.
3. Foreign Exchange Earning — Nil

   Foreign Exchange Expenditure — Rs. 20,91,132

MD/CFO CERTIFICATION

As per the requirements of Clause 49 of the listing agreement on Code of Corporate Governance, the certification made in the prescribed format in respect of the financial Statements and Cash Flow Statements for the financial year ended 31st March 2007 is annexed herewith as Annexure 'A'.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annexed Management discussion and Analysis form a part of this report and covers, amongst other matters, the performance of the Company during the financial year as well as future outlook.

CORPORATE GOVERNANCE REPORT FOR THE YEAR

Corporate Governance report for the period ended 31st March 2007 as required by Clause 49 of the listing agreement together with the certificate of the Statutory Auditor is annexed herewith.

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation of the support provided by Companys Bankers.

We deeply acknowledge the dedication and commitment of employees at all levels. We take this opportunity to thank all valued customers.

Your Directors convey their grateful thanks to the Government Authorities, Shareholders, Distributors and Dealers for their Continued Assistance, Co-operation and patronage.

For and on behalf of the Board

Kolkata - 700 016

Dated : 1st day of September, 2007

S. P. AGARWALA
Managing Director

ANNEXURE - 'A' TO THE DIRECTORS' REPORT

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

MD/CFO Certification

(a) We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :

(i) These statements do not contain any materially unfare 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

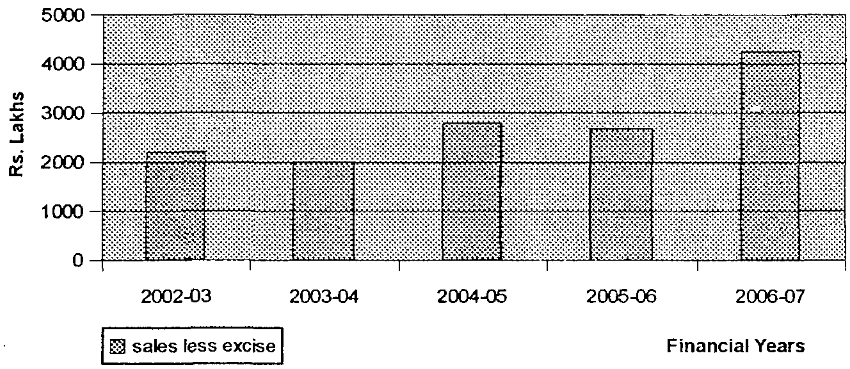
(iii) There are no instances of significant fraud of which we have become aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal Control System, if any.

Kolkata - 700 016
Dated : 1st day of September, 2007

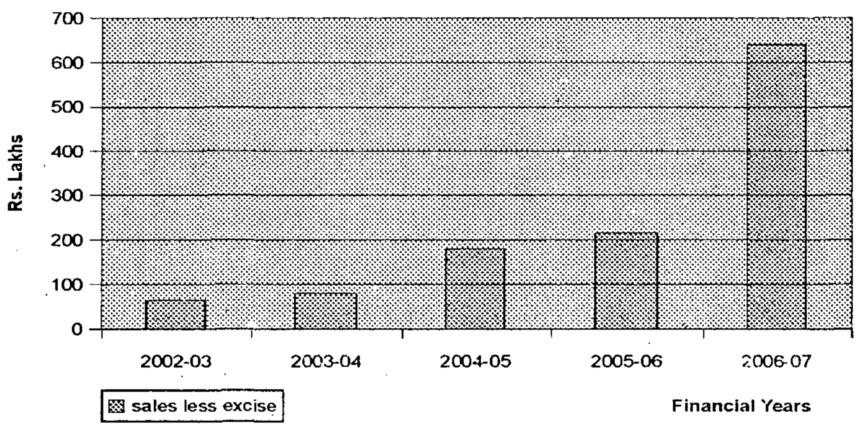
S. P. AGARWALA
Managing Director

T. GHOSH

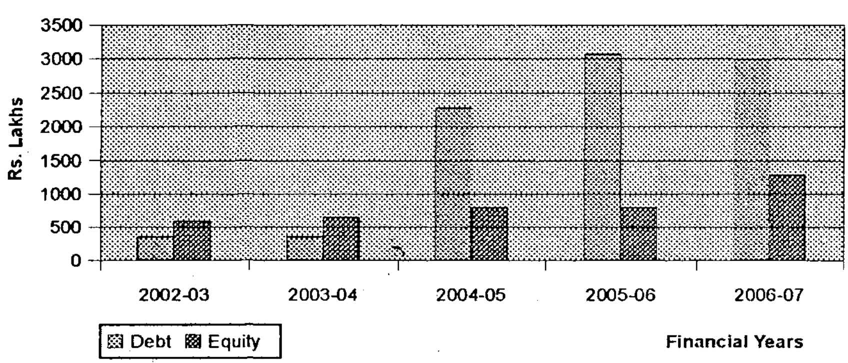
Sales less Excise



Profit before Tax



Debt Equity Chart



MANAGEMENT DISCUSSION AND ANALYSIS

We submit here management discussion and analysis on the business of the Company.

MANAGEMENT PHILOSOPHY

Our philosophy is to supply high quality product and provide the best possible service to our customers. Continuous effort is made to upgrade plant efficiency through modern and latest technology. Management focus is given on reduction of cost and improvement of productivity.

PRODUCTIVE PERFORMANCE

		2006-07	2005-06
		cum	cum
Oxygen	Production	2,39,29,144	1,28,73,468
	Sales	2,39,31,038	1,28,72,838
Nitrogen	Production	38,32,182	17,07,641
	Sales	38,21,584	17,05,738
Argon	Production	1,89,403	1,05,179
	Sales	1,89,701	1,02,684
Dissolved Acetylence	Production	1,16,749	1,15,932
	Sales	1,17,063	1,16,384
Medical Oxygen	Production	1,11,045	96,721
	Sales	1,11,267	96,709

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate System of Internal Control commensurate with its size and nature of operations in order to ensure that all assets are safeguarded and transactions are recorded in accordance with applicable laws. The Board of Directors and Audit Committee of the Board monitors the performance of the Company and reviews the implementation of recommended suggestions. Your Company's Auditors have confirmed the adequacy of internal control system of the Company.

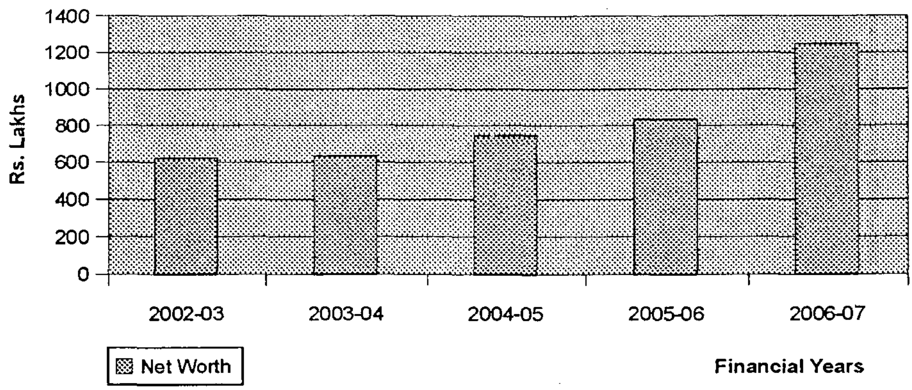
HUMAN RESOURCES AND SAFETY

The Company recognises the importance of dedicated Human resources and believes that there is a linkage between organisation performance and employees engagement. The company makes continuous endeavour to improve the computer literacy among employees. At the same time the Company gives prime importance to employees safety. The Company seeks to attract best talent through recruitment and selection process. The Industrial relations scenario has remained very peaceful throughout the year.

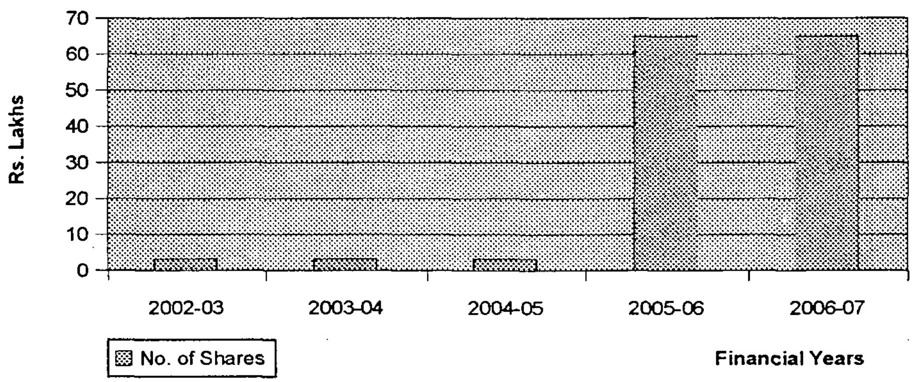
OUTLOOK

Due to growth of Industrial activities in India therte will be steady increase in market demand for Industrial

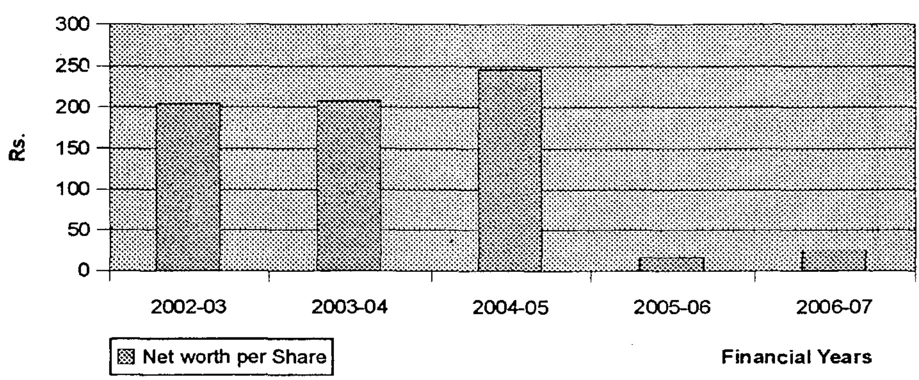
Net Worth



No. of Shares



Net worth per Share



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

gases particularly in industries such as Steel, metallurgical, glass, oil, electronics, fibre optics food and healthcare segment. The Company has an ambitous plan for future expansion of manufacture of Industrial gases in the near future. The Company has obtained an Industrial licence for this purpose. Thus your company will be able to increase its market share in spite of impending competition with the large scale manufacturer in Industrial gases.

FINANCIAL AND OPERATING PERFORMANCE

	Financial Year 2006-07 (Rs. in Lacs)	Financial Year 2006-07 (Rs. in Lacs)	Growth %
Total Revenue	4,766.69	3,181.34	49.82
Profit before Taxation	640.55	209.89	205.18
Profit after Taxation	505.95	83.33	506.80

Aggregate production of all clas of goods in terms of cu.m. was 2,81,78,524 as against 1,48,98,941 cu.m. in the previous year representing an increase of over 89%.

Aggregate sales of all class of goods in terms of cu.m. was 2,81,70,654 as against 1,48,94,353 cu.m. in the previous year. The growth was nearly 89%.

DISCLAIMER

Certain statements in this report relating to Company's objectives, outlook etc, may be forward looking statements within the meaning of applicable Laws. Actual results may differ materially from such expectations due to changes in economic conditions affecting demand and supply, changes in regulatory environment., Other government actions including Taxation, natural phenomena such as floods and earthquakes etc over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Company believes implementation of good Corporate Governance facilitates enhancing of Shareholders value in the long run. The Company has formulated code of Business Conduct and Ethics. The objective of this code is to ensure strict adherence to the Company's best practices. The Company has a distinguished Board which includes independent directors.

BOARD OF DIRECTORS

The composition of the Board is in conformity with Clause 49 of the listing agreement. The Chairman of the Board is an executive Director. The Board consists of seven Directors.

During the period of 1.4.2006 to 31.3.2007, the Board of Directors met 10 (Ten) times on 29th April 2006, 31st July 2006, 8th August 2006, 2nd September 2006, 4th September 2006, 5th October 2006, 30th October 2006, 23rd November 2006, 31st January 2007 and 15th March 2007.

COMPOSITION AND OTHER DETAILS OF BOARD OF DIRECTORS AS ON 31.03.2007

Sl. No.	Name of the Directors	Category/Status of Directorship	No. of Board meeting attended during 2006-07	No. of Directorship in other Public* Limited Companies	Whether attended last AGM
1.	Shanti Prasad Agarwala	Managing Director	10	06	Yes
2.	Padam Kumar Agarwala	Executive Director	10	07	Yes
3.	Ajit Khandelwal	Non Executive Director	10	05	Yes
4.	Samindra Kumar Gupta	Non Executive Director	10	06	Yes
5.	Sovan Kumar Dutta	Nominee Director	06	—	Yes
6.**	Manas Kumar Dutta	Non Executive Director	02	02	No
7.***	Indrajit Mookerjee	Director (Technical and Planning)	Nil	—	No

* Private Limited Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act have been excluded.

** Shri Manas Kumar Dutta was appointed as additional Director by the Board at its meeting held on 5th October 2006.

*** Shri Indrajit Mookerjee was appointed as Director (Technical and Planning) with effect from 27.3.2007 subject to the approval of Central Govt. which was received subsequently.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Board had approved a code of conduct for Board of Directors and Senior Management personnel of the Company. The code has been displayed on the Company's Webside www.ellenbarrie.com. The Board members and Senior Management personnel have affirmed compliance with the aforesaid code.

DIRECTORS WITH MATERIALLY SIGNIFICANT PRECUNIARY RELATIONSHIPS OR BUSINESS TRANSACTIONS WITH THE COMPANY

The Company does not have any pecuniary relationship with any one of its directors nor has entered into any transaction with them except the Sitting fee and payment/reimbursement of travelling expenses.

REPORT ON CORPORATE GOVERNANCE (Contd.)

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three members namely Shri Manas Kumar Dutta (Chairman of the Committee), Shri Shanti Prasad Agarwala and Shri Samindra Kumar Gupta. The Audit Committee was constituted by the Board at its meeting held on 5th October 2006. During the year 2006-2007 Audit Committee meetings were held on 24th December 2006, and 30th March 2007. All the members of the Audit Committee were present in each meeting. The terms of reference and the role of the Audit Committee are as set out in the listing agreement and Section 292A of the Companies Act 1956.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors grievance Committee of the Company comprises of three Directors namely (a) Manas Kumar Dutta (b) Samindra Kumar Gupta (c) Padam Kumar Agarwala, Shri Samindra Kumar Gupta is the Chairman of the Committee. During the period under review no complaints were received from investors. As on 31st March 2007 there is no pending investor complaints.

REMUNERATION COMMITTEE

The Remuneration Committee comprised of three Directors namely (a) Manas Kumar Dutta (b) Samindra Kumar Gupta (c) Ajit Khandelwal. Shri Manas Kumar Dutta is the Chairman of the Committee. During the period under review the Committee met once on 14th March to approve the remuneration of Shri Indrajit Mookerjee who was appointed as Director (Technical and Planning) with effect from 27.03.2007 subject to Central Govt. approval.

DISCLOSURES

Disclosure of all related party transactions has been made in the notes to the Accounts presented in the Annual Report. Directors have disclosed their interest in Form No. 24AA pursuant to Section 299 of the Companies Act 1956.

The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of its financial Statements.

GENERAL BODY MEETING

The details of the last three Annual General Meetings of the Shareholders of the Company are given in the following table :

Financial year	Date and	Time	Venue
2005 - 2006	29.09.2006	11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016
2004 - 2005	30.09.2005	11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016
2003 - 2004	30.09.2004	11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016

An Extra Ordinary General Meegting was held on 28th February 2007 during the year ended 2006-2007.

REPORT ON CORPORATE GOVERNANCE (Contd.)

MEANS OF COMMUNICATION

As your Company's shares are listed on the Calcutta Stock Exchange, your Company is required to publish an unaudited quarterly results in terms of listing Agreement. Accordingly the last quarter results was *published in Business Standard and* Arthik Lipi *on* 1st May, 2007.

The Management discussion and Analysis form part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting :

Date	29th September, 2007
Day	Saturday
Time	11 A.M.
Venue	*3A Ripon Street, Kolkata - 700 016*
Financial year	2006 - 2007

BOOK CLOSURE

The Register of members and Share Transfer Books of the Company will remain closed from 22nd September, 2007 to 29th September 2007 (both days inclusive).

DIVIDEND PAYMENT DATE

Within thirty days from the date of declaration, i.e., 29th September, 2007.

LISTING ON STOCK EXCHANGES

The Shares of the Company are listed on the CALCUTTA STOCK EXCHANGE.

SHARE PRICE DATA

Share Price at Calcutta Stock Exchange during the period April, 2006 to March, 2007.

Month	High (Rs.)	Low (Rs.)
April	17.90	17.90
May	17.90	17.90
June	17.90	17.90
July	17.90	17.90
August	17.90	17.90
September	17.90	17.90
October	17.90	17.90
November	17.90	17.90
December	17.90	17.90
January	17.90	17.90
February	17.90	17.90
March	17.90	17.90

REPORT ON CORPORATE GOVERNANCE (Contd.)

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2007

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	6	11.54	3000	0.05
501 - 1000	7	13.46	6300	0.10
1001 - 2000	7	13.46	12600	0.19
2001 - 3000	NIL	NIL	NIL	NIL
3001 - 4000	NIL	NIL	NIL	NIL
4001 - 5000	1	1.92	5000	0.08
5001 - 10000	3	5.77	22200	0.34
10001 and above	28	53.85	6497680	99.24
TOTAL	**52**	**100.00**	**65,46,780**	**100.00**

STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2007

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTEOR HOLDING			
Individuals/Hindu undivided family	04	26,81,280	40.96
Bodies Corporate	—	—	—
Total of Promoter Holding	**04**	**26,81,280**	**40.96**
NON PROMOTER HOLDING			
Institutions	—	—	—
Mutual Fund/UTI	—	—	—
Financial Institution/ Banks	—	—	—
Financial Institutional Investors	—	—	—
NON INSTITUTIONS			
Bodies Corporate	03	12,26,700	18.74
Indian Public	33	25,98,300	39.68
NRI/OCB/Foreign nationals	—	—	—
Central Govt./State Govt.	01	40,500	0.62
Total of Non promoter Holding	**37**	**38,65,500**	**59.04**
Grand Total	**41**	**65,46,780**	**100.00**

REPORT ON CORPORATE GOVERNANCE (Contd.)

DEMATERIALISATION OF SHARES AND LIQUIDITY

The equity shares of the Company are tradable in Dematerialised form. International Securities Indentification Number (ISIN) for both the depositories i.e. NSDL and CDSL is INE 236E01014.20% of Equity Shares are held in dematerialised form.

ADDRESS FOR CORRESPONDENCE

Registered Office

ELLENBARRIE INDUSTRIAL GASES LTD.
3A, Ripon Street
Kolkata - 700 016

Registrar and Share Transfer Agents

ABS CONSULTANT PVT. LTD.
Stephen House
6th Floor, Room No. 99
4 B. B. D. Bag (East)
Kolkata - 700 001

PLANT LOCAT. NS

Kalyani Works

Block 'D' Plot 25
Kalyani Industrial Estate
P.O. Kalyani, Dist. Nadia
West Bengal

Uluberia Works

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

COMPANY WEBSITE

The Company has its Website namely www.ellenbarrie.com. This provides detailed information about the Company, its products and services offered, Registered Office and various plant location.

I declare that the Company has received affirmation of compliance with the "Code of Business Conduct of Directors and Senior Executives" laid down by the Board of Directors, from all the directors and Senior Management personnel of the Company to whom the same is applicable, for the financial year ended 31st March, 2007.

Kolkata - 700 016
Dated : 1st day of September, 2007

S. P. AGARWALA
Managing Director

AUDITOR'S 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, 2007, as stipulated in Clause 49 of Listing Agreements of the said Company with stock exchange in 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 the 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.

For A. K. KUMAR & CO.
Chartered Accountant

9/15, Fern Road, (1st Floor)
Kolkata - 700 019

A. KUMAR
Proprietor
(Membership No. 013166)

Dated : 1st day of September, 2007

AUDITORS' REPORT

TO THE MEMBERS

I have audited the attached Balance Sheet of ELLENBARRIE INDUSTRIAL GASES LIMITED as at 31st March, 2007 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

i) a) The Company maintains proper records showing full particulars, including quantitative details and situation of Fixed Assets.
   b) The fixed assets have been physically verified by the management at the end of the year and there have been no material discrepancy.
   c) A substantial part of the fixed assets have not been disposed of during the year.

ii) a) Physical verification of inventory has been coducted by the management at the end of the year.
   b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) The Company has not granted loan to a company, firm or other party covered in the register maintained under Section 301 of the Act.

iv) The Company has not taken loans from a company, firm or other party covered in the register maintained Sectin 301 of the Act.

v) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.

vi) a) Transaction that need to be entered into a register in pursuance of Section 301 of the Act, have been so entered.
   b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vii) The Company has not accepted deposits from the public.

viii) The Company has an internal audit system commesurate with its size and nature of its business.

ix) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess or any other statutory dues with the

AUDITORS' REPORT (Contd.)

appropriate authorities and there is no arrear of more than six months as at the last day of the year.

x) The Company has not defaulted in repayment of dues to a bank or financial institution.

xi) The Company is dealing in shares, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made. The shares, securities and debentures have been held by the Company in its own name.

xii) The term loans were applied for the purpose for which the loans were obtained.

xiii) The funds raised on short term basis have not been used for long term investment.

xiv) In the circumstances of the case, other clauses of the order are not applicable.

Further to our comments, we report that:

i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of our audit;

ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account ;

iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

v) On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

vi) In my opinion and to the best of my information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;

and

b) in the case of the Profit & Loss Account of the profit for the year ended on that date.

For A. K. KUMAR & CO.
Chartered Accountant

9/15, Fern Road, (1st Floor)
Kolkata - 700 019

Dated : 1st day of September, 2007

A. KUMAR
Proprietor
(Membership No. 013166)

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	6,54,67,800	6,54,67,800
Reserves & Surplus	2	5,98,94,475	1,69,59,713
		12,53,62,275	8,24,27,513
Loan Funds			
Secured Loans	3	28,15,49,625	28,95,27,680
Unsecured Loans	4	1,55,57,131	1,55,57,131
		29,71,06,756	30,50,84,811
Deferred Tax Liability (Net)		73,15,511	47,75,195
Total		**42,97,84,542**	**39,22,87,519**
APPLICATION OF FUND			
Fixed Assets			
Gross Block	5	56,17,66,959	55,02,37,698
Less: Depreciation		21,83,92,285	18,69,32,348
		34,33,74,674	36,33,05,350
Capital Work-in-progress		—	1,00,000
		34,33,74,674	36,34,05,350
Investments	6	15,000	15,000
Current Assets, Loans & Advances			
Inventories	7	6,15,59,756	7,07,77,453
Sundry Debtors	8	6,97,55,763	3,05,03,327
Cash & Bank Balances	9	5,27,73,100	69,95,315
Loans & Advances	10	2,67,34,714	5,54,39,046
		21,08,23,333	16,37,15,141
Less : Current Liabilities & Provisions			
Liabilities	11	10,00,69,202	11,42,51,702
Provisions	12	2,43,59,263	2,05,96,270
		12,44,28,465	13,48,47,972
Net Current Assets		8,63,94,868	2,88,67,169
Deferred Tax Asset (Net)		—	—
Total		**42,97,84,542**	**39,22,87,519**
Notes to Accounts	18		

In terms of our Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
A. KUMAR
Proprietor
(Membership No. 013166)
9/15, Fern Road, (1st Floor)
Kolkata - 700 019
Dated : 1st day of September, 2007

SHANTI PRASAD AGARWALA
Managing Director

PADAM KUMAR AGARWALA
Executive Director

MANAS KUMAR DUTTA
AJIT KHANDELWAL
SAMINDRA KUMAR GUPTA
Directors

A.K. BANDYOPADHYAY
Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

INCOME	Schedule	31.03.2007 Rs.	31.03.2006 Rs.
Sales	13	46,98,12,817	28,86,30,202
Less: Excise Duty		4,08,77,726	2,64,87,224
		42,89,35,091	26,21,42,978
Sale of Shares		77,28,115	1,36,32,793
Other Income	14	4,00,05,745	4,23,57,755
Closing Stock of Goods		5,64,23,848	6,25,89,279
Closing Stock of Shares		33,38,198	40,54,514
		53,64,30,997	38,47,77,319
EXPENDITURE			
Opening Stock of Goods		6,25,89,279	42,69,640
Opening Stock of Shares		40,54,514	87,91,272
Purchase of Shares/Securities		69,74,018	91,93,456
Purchase of Trading Goods		12,26,91,141	13,95,47,423
Raw Materials Consumed		3,75,56,853	4,49,27,350
Production, Manufacturing & Maintenance Expenses	15	14,10,52,441	8,67,47,207
Payments to & provision for Employees	16	1,27,69,488	1,29,68,792
Administrative, Selling & Other expenses	17	1,92,23,315	1,62,15,726
Excise Duty		19,506	36,264
Interest		3,12,49,345	1,91,82,861
Depreciation		3,41,95,888	2,19,08,367
		47,23,75,788	36,37,88,358
Profit before Taxation		6,40,55,209	2,09,88,961
Less : Provision for Taxation - Current (MAT)		69,36,464	16,00,000
- For earlier years		37,24,261	—
- Deferred Tax		25,40,316	1,08,07,147
- Fringe Benefit Tax		2,60,000	2,48,680
		5,05,94,168	83,33,134
Add : Balance as per last account		46,92,755	23,92,111
Surplus Available for Appropriation		5,52,86,923	1,07,25,245
Less : Proposed Dividend		65,46,780	32,73,390
Tax on Proposed Dividend		11,12,626	4,59,100
Transfer to General Reserve		4,50,00,000	23,00,000
Balance Carried to Schedule 2		26,27,517	46,92,755
Notes to Accounts	18		
Earning per Share (Rs.) Basic and Diluted (Face Value Rs.10)		7.73	1.27

In terms of our Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
A. KUMAR
Proprietor
(Membership No. 013166)
9/15, Fern Road, (1st Floor)
Kolkata - 700 019
Dated : 1st day of September, 2007

SHANTI PRASAD AGARWALA
Managing Director

PADAM KUMAR AGARWALA
Executive Director

MANAS KUMAR DUTTA
AJIT KHANDELWAL
SAMINDRA KUMAR GUPTA
Directors

A.K. BANDYOPADHYAY
Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - 1

SHARE CAPITAL	As at 31.03.2006 Rs.	As at 31.03.2005 Rs.
Authorised :		
2,10,00,000 Equity shares of Rs.10 each	21,00,00,000	21,00,00,000
4,00,000 9% Redeemable Cumu. Pref. Shares of Rs. 100 each	4,00,00,000	4,00,00,000
	25,00,00,000	25,00,00,000
Issued, Subscribed & Paid up		
65,46,780 Equity Shares of Rs.10 each fully paid up	6,54,67,800	6,54,67,800

SCHEDULE - 2

RESERVES & SURPLUS		
Capital Reserve		
As per last account	3,19,900	3,19,900
Capital Redemption Reserve		
As per last account	6,00,000	6,00,000
General Reserve		
As per last Account	28,17,243	6,23,47,943
Add : Transfer from Profit & Loss Account	4,50,00,000	23,00,000
Add : Deferred Tax Asset	85,29,815	85,29,815
	5,63,47,058	7,31,77,758
Less: Utilised for Bonus Issue	—	6,18,30,700
	5,63,47,058	1,13,47,058
Profit & Loss A/C Credit Balance	26,27,517	46,92,755
	5,98,94,475	1,69,59,713

SCHEDULE - 3

SECURED LOANS		
Term Loan		
From Bank of Baroda (For Uluberia Project) (Secured by hypothecation & mortgage of all movable and immovable assets, including Plant, Machinery and Cryogenic Tank at Uluberia and collateral securitiy of all movable and immovable assets of Kalyani Plant, hypothecation of Book-debts and charges on current movable assets of Trading business)	20,20,25,000	22,54,50,000
From West Bengal Financial Corporation (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme)	1,98,00,000	2,50,00,000
Cash Credit		
From Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of some Directors)	5,88,51,105	3,87,77,960
Others		
From ICICI Bank (Secured against hypothecation of cars)	8,73,520	2,99,720
	28,15,49,625	28,95,27,680

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - 4

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
UNSECURED LOANS		
From a Company	1,55,57,131	1,55,57,131
	1,55,57,131	1,55,57,131

SCHEDULE - 5

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 01.04.2006 Rs.	Additions Rs.	Adjustment Rs.	As at 31.03.2007 Rs.	As at 01.04.2006 Rs.	Additions Rs.	Adjustment Rs.	As at 31.03.2007 Rs.	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
Freehold Land	1,15,12,627	—	—	1,15,12,627	—	—	—	—	1,15,12,627	1,15,12,627
Leasehold Land	1,62,328	—	—	1,62,328	1,793	—	—	1,793	1,60,535	1,60,535
FactoryBuilding & Compound	1,67,29,522	—	—	1,67,29,522	31,94,541	4,84,577	—	36,79,118	1,30,50,404	1,35,34,981
Furniture	11,94,444	—	30,890	11,63,554	5,95,449	74,542	9,326	6,60,665	5,02,889	5,98,995
Plant & Machinery	32,80,53,365	1,05,49,049	—	33,86,02,414	4,79,41,520	1,51,17,135	—	6,30,58,655	27,55,43,759	28,01,11,845
Motor Car	34,98,134	16,78,632	6,01,351	45,75,415	19,08,150	5,72,406	4,50,921	20,29,635	25,45,780	15,89,984
Electric Installation	1,36,62,945	—	—	1,36,62,945	14,38,526	5,83,037	—	20,21,563	1,16,41,382	1,22,24,419
Office Equipment	6,51,854	54,000	—	7,05,854	5,08,286	26,230	—	5,34,516	1,71,338	1,43,568
Truck	5,88,019	—	—	5,88,019	5,66,012	6,602	—	5,72,614	15,405	22,007
Cylinder	7,67,32,647	6,95,366	—	7,74,28,013	6,84,10,122	33,52,189	—	7,17,62,311	56,65,702	83,22,525
Tanker	9,38,91,493	29,35,511	49,83,629	9,18,43,375	6,03,52,149	1,33,31,195	22,75,704	7,14,07,640	2,04,35,735	3,35,39,344
Computer	11,74,626	9,25,073	—	20,99,699	8,46,585	2,32,705	—	10,79,290	10,20,409	3,28,041
Howrah Shed	16,22,675	—	—	16,22,675	10,08,293	61,438	—	10,69,731	5,52,944	6,14,382
Howrah Flat	1,70,817	—	—	1,70,817	—	—	—	—	1,70,817	1,70,817
Motor Cycle	78,228	—	—	78,228	58,063	5,221	—	63,284	14,944	20,165
Tube well	5,13,974	—	—	5,13,974	1,02,859	41,111	—	1,43,970	3,70,004	4,11,115
Boundry wall at Durgapur	—	3,07,500	—	3,07,500	—	3,07,500	—	3,07,500	—	—
Total as on 31.03.2007	55,02,37,698	1,71,45,131	56,15,870	56,17,66,959	18,69,32,348	3,41,95,888	27,35,951	21,83,92,285	34,33,74,674	—
Total as on 31.03.2006	21,97,29,337	34,02,65,430	97,57,069	55,02,37,698	16,58,99,932	2,19,08,367	8,75,951	18,69,32,348	—	36,33,05,350

SCHEDULE - 6

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
INVESTMENT (AT COST)		
Shares (UNQUOTED)		
(Under the same management)		
150 Fully paid Equity Shares of Rs. 100 each in Superior Tea & Allied Ind. Pvt. Ltd.	15,000	15,000
	15,000	15,000

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - 7

INVENTORIES

(As taken, valued and certified by the Management)

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
Stores & Spare Parts (At cost)	11,01,110	8,50,460
Raw Materials (At Cost)	6,96,600	32,83,200
Trading Goods (At Cost)	5,12,36,479	6,23,25,814
Trading Goods in Transit (At Cost)	50,67,844	—
Manufactured Goods (At lower of cost or net realisable value)	1,19,525	2,63,465
Shares & Debentures (At lower of cost or net realisable value) (As per schedule 7A)	33,38,198	40,54,514
	6,15,59,756	7,07,77,453

SCHEDULE - 7A

STOCK OF SHARES AND SECURITIES

NO. OF SHARES		FACE VALUE Rs.	NAME OF THE BODY CORPORATES	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
			Quoted - At Lower of cost or net realisable value (Fully paid up Equity Share)		
436		10	ABB Ltd.	95,854	95,854
NIL	(1,264)	10	Alstom Project Ltd.	—	2,27,836
NIL	(3,000)	10	Bank of Baroda	—	6,90,900
16,900		10	Basera Cements Ltd.	42,250	42,250
96		10	Bells Control Ltd.	221	221
100		10	Bhagwati Gases Ltd.	433	433
NIL	(5,815)	10	BOC India Ltd.	—	12,84,321
5		100	Bombay Oxygen Ltd.	5,513	5,513
100		10	Burrough Welcome Ltd.	8,500	8,500
3500		10	DSQ Biotech Ltd.	13,300	13,300
20,000		10	Heruk Agro Ltd.	1,75,000	1,75,000
10,000	(NIL)	10	Himachal Futuristic Communication Ltd.	2,40,221	—
150		10	HGI Industries Ltd.	825	825
5,000	(NIL)	10	Hindalco	6,87,546	—
2,100		10	Hindustan Motors Ltd.	13,650	13,650
500		10	ICICI Bank	1,37,506	24,625
2,540		10	India Polyfibre Ltd.	7,905	7,905
250		10	Industrial Finance Corporation of India Ltd.	1,667	1,667

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - 7A (Contd.)

STOCK OF SHARES AND SECURITIES

NO. OF SHARES		FACE VALUE Rs.	NAME OF THE BODY CORPORATES	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
			Quoted - At Lower of cost or net realisable value b/f (Fully paid up Equity Share)		
NIL	(1,800)	10	Integrated Hitech Ltd.	—	1,980
425		10	Ispat Industries Ltd.	4,448	4,448
5,500		10	Lan Eseda Industries Ltd.	2,750	2,750
400		10	Mangalam Timber Industries Ltd.	1,630	1,630
NIL	(1,000)	10	Neyveli Legnite Ltd.	—	46,313
500		10	Nagarjurna Fertilsers Ltd.	6,250	6,250
600		10	OCL Polyesters Ltd.	1,980	1,980
11,000		10	Orissa Synthetics Ltd.	93,573	93,573
606		10	Orkay Silk Mills Ltd.	1,273	1,273
NIL	(1,000)	10	Padmalaya Telefilms Ltd.	—	12,800
30		10	Premier Automobiles Ltd.	426	426
45		10	Reliance Enterprises Ltd.	9,000	9,000
500	(NIL)	10	Reliance Industries Ltd.	4,66,500	—
200		10	Reliance Polythelene Ltd.	2,500	2,500
50	(NIL)	10	Sea Goa	80,431	—
2,000	(6,707)	10	Shipping Corporation of India Ltd.	2,53,486	8,50,065
NIL	(5,169)	10	Tata Tele Services Ltd.	—	1,22,764
2,000	(NIL)	10	Tisco	8,08,157	—
2,700		10	21st Century (India) Ltd.	24,350	24,350
100		10	Warren Tea Ltd.	2,303	2,303
NIL	(8,000)	10	Vashishti Detergent Ltd.	—	1,28,559
			Unquoted – At Cost (Fully paid up Equity Shares)		
4,930		10	Ellenbarrie Food Products Ltd.	49,300	49,300
24,000		10	Ellenbarrie Properties Ltd.	48,000	48,000
6,000		10	The Ellenbarrie Tea Co. Ltd.	51,450	51,450
				33,38,198	40,54,514

Note: Figures in bracket indicate previous year's figures.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

SCHEDULE - 8

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
Sundry Debtors		
Unsecured, Considered good		
Debts due for a period over six months	36,39,890	6,96,835
Others Debts	6,61,15,873	2,98,06,492
	6,97,55,763	3,05,03,327

SCHEDULE - 9

Cash & Bank Balances		
Cash in hand	2,10,859	1,38,797
Balance with Scheduled Banks :		
In Current Account (unconfirmed Rs. 2,39,880)	4,35,62,241	15,43,666
In Margin Deposit Account	90,00,000	53,12,852
	5,27,73,100	69,95,315

SCHEDULE - 10

Loans & Advances		
(Unsecured, Considered good)		
Advances recoverable in cash or kind or for value to be received	1,86,17,247	3,80,87,980
Tax paid in advance and at source	69,02,541	1,61,25,171
Deposit for office premises	2,25,000	2,25,000
Deposit	9,89,926	10,00,895
	2,67,34,714	5,54,39,046

SCHEDULE - 11

CURRENT LIABILITIES		
Sundry Creditors	6,16,11,031	8,03,34,940
Deposit from Customers	3,84,58,171	3,38,96,762
Advance from customer	—	20,000
	10,00,69,202	11,42,51,702

SCHEDULE - 12

PROVISIONS		
Tax provision	1,38,64,689	1,37,78,193
Proposed Dividend	65,46,780	32,73,390
Tax provision on Dividend	11,12,633	4,59,100
Leave Encashment	2,79,107	3,18,916
Gratuity	20,27,868	24,81,727
Fringe Benefit Tax	5,08,680	2,48,680
Central Excise Duty	19,506	36,264
	2,43,59,263	2,05,96,270

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE - 13

SALES	Year Ended 2006-2007	Year Ended 2005-2006
Manufactured Goods	32,68,34,613	19,26,47,690
Less: Exicise Duty	4,08,77,726	2,64,87,224
	28,59,56,887	16,61,60,466
Others	14,29,78,204	9,59,82,512
Export	—	—
	42,89,35,091	26,21,42,978

SCHEDULE - 14

OTHER INCOME		
Interest (Gross)		
From Bank	6,84,397	60,233
From Others	2,52,232	2,65,032
Dividend	32,796	1,11,120
Profit on Sale of Fixed Assets	6,27,760	72,09,978
Miscellaneous Income	1,76,81,915	2,03,94,977
Holding Charges	1,95,60,841	1,38,26,599
(T.D.S. - Rs. 4,25,854, Previous Year Rs. 4,46,767)		
Profit in Share dealing	—	2,09,721
Insurance Claim	11,65,804	2,80,095
	4,00,05,745	4,23,57,755

SCHEDULE - 15

PRODUCTION, MANUFACTURING & MAINTENANCE EXPENSES		
Consumable Stores	59,18,945	41,31,836
Power Consumption	10,52,73,588	7,29,34,262
Repairs to Building	8,86,502	750
Repairs to Machinery	2,80,63,629	87,33,889
Other Repairs	9,09,777	9,46,470
	14,10,52,441	8,67,47,207

SCHEDULE - 16

PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary, Wages & Bonus	1,05,97,923	1,04,65,937
Contribution to ESI	1,65,038	1,60,243
Contribution to P. F.	3,50,384	2,94,347
Labour & Staff welfare	6,36,143	12,08,265
Directors Remuneration	10,20,000	8,40,000
	1,27,69,488	1,29,68,792

SCHEDULE - 17

ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	44,331	31,620
Rates & Taxes	30,74,142	3,02,200
Miscellaneous Expenses	1,09,31,946	1,12,53,190
Insurance	17,52,932	21,47,524
Travelling & Conveyance	18,05,497	12,81,971
Auditors' Remuneration	72,755	70,426
Selling Expenses	14,97,712	10,76,795
Directors' Fees	44,000	52,000
	1,92,23,315	1,62,15,726

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE-18

1. **Particulars in respect of goods manufactured** : Licensed/Installed Capacities & Production :

Class of Goods	CAPACITY (Cu.m. in Million) Licensed	Installed	PRODUCTION (Cu.m.) 2006-2007	2005-2006
a) Oxygen	26.000	26.000	2,39,29,145	1,28,73,468
b) Acetylene	1.000	1.000	1,16,750	1,15,932
c) Nitrogen	15.000	15.000	38,31,244	17,07,641
d) Special (High Purity) Gases & Gas Mixtures	0.200	0.200	448	91
e) Argon	6.000	6.000	1,89,403	1,05,179
f) Argoshield	1.000	1.000	7	2,600
g) Medical Oxygen	1.000	1.000	1,11,046	96,721
h) Zero Air Gas	—	—	210	448

2. Opening Stock, Sales and Closing Stock :

Description	Class of Goods	2006-2007 Quantity (Cu.m.)	2006-2007 Value Rs.	2005-2006 Quantity (Cu.m.)	2005-2006 Value Rs.
Opening Stock	Oxygen	4,732	46,787	5,929	5,040
	Nitrogen	938	15,275	796	11,144
	Argon	1,064	74,258	1,169	1,05,210
	Gas Mixture	28	3,583	49	5,390
	Acetylene	971	118,569	1,423	1,49,436
	Medical Oxygen	248	4,993	236	4,727
Sales	Oxygen	2,39,31,048	25,12,35,633	1,28,72,838	14,57,05,418
	Nitrogen	38,31,825	4,44,14,052	17,05,738	1,91,20,768
	Argon	1,90,141	1,16,22,593	1,02,684	86,04,295
	Gas Mixtures	448	71,580	112	16,609
	Acetylene	1,17,063	1,73,76,951	1,16,384	1,69,87,115
	Medical Oxygen	1,11,267	21,00,284	96,709	18,08,796
	Zero Air Gas	210	9,450	448	17,309
	Argoshield	28	4,071	2,600	3,87,380
Closing Stock	Oxygen	2,828	41,014	4,732	46,787
	Nitrogen	357	7,061	938	15,275
	Argon	326	21,553	1,064	74,258
	Gas Mixtures	—	—	28	3,583
	Acetylene	657	49,514	971	1,18,569
	Medical Oxygen	26	383	248	4,993
	Argoshield	7	—	—	—
Own Consumption/ Transfer	Oxygen	—	—	1,827	—
	Nitrogen	—	—	1,761	—
	Acetylene	—	—	—	—
	Argon	—	—	2,600	—

Notes: Production of Oxygen, Nitrogen and Argon during the year includes 5,12,330 cu. m.Liquid Oxygen, 44,269 cu.m. Liquid Nitrogen and 88,132 cu. m. Liquid Argon purchased from outside and 19,32,868 cu. m. Liquid Oxygen and 4,80,000 cu. m. Liquid Nitrogen and 33,449 cu.m. Liquid Argon transferred from Uluberia Unit.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE : 18 (Contd.)

3. **Particulars of Goods traded in :**

	Class of Goods	UNIT	2006-2007 QUANTITY	2006-2007 AMOUNT (Rs.)	2005-2006 QUANTITY	2005-2006 AMOUNT (Rs.)
A)	**OPENING STOCK**					
	Liquid Nitrogen	Cu.m.	—	—	8,272.000	55,009
	Sheet & Steel Materials	MT	2,848.320	6,19,50,960	181.000	34,81,748
	Hydrogen	Cu.m.	42.000	2,115	5.000	235
	Carbon-di-Oxide	Kg.	832.000	11,648	1,470.000	24,990
	Nitrous Oxide	Cu.m.	28.000	4,406	43.000	6,816
	Helium Gas	Cu.m.	553.000	3,56,685	651.000	4,19,895
B)	**PURCHASE**					
	Liquid Nitrogen	Cu.m.	—	—	4,32,440.240	33,59,586
	Sheet & Steel Materials	MT	5,600.548	11,68,79,809	6,797.940	13,52,25,206
	Hydrogen	Cu.m.	822.500	38,277	211.500	7,381
	Carbon-di-Oxide	Kg.	92,715.000	7,59,989	57,028.000	4,71,637
	Nitrous Oxide	Cu.m.	788.010	1,15,361	856.500	1,21,049
	Liquid Oxygen	MT	726.320	48,08,557	40,571.300	3,43,564
	Acetone	Kg.	24.100	1,286	448.100	19,000
	Engineering Goods		—	87,875	—	—
	Helium Gas	Cu.m.	—	—	—	—
C)	**SALES**					
	Liquid Nitrogen	Cu.m.	—	—	4,37,465.040	36,56,598
	Sheet & Steel Materials	MT	5,866.568	13,42,56,828	4,130.490	9,03,33,426
	Hydrogen	Cu.m.	784.600	49,211	173.900	8,619
	Carbon-di-Oxide	Kg.	93,169.000	14,79,763	54,948.000	9,07,360
	Nitrous Oxide	Cu.m.	772.890	1,39,360	871.560	1,57,795
	Liquid Oxygen	MT	726.320	68,92,760	40,571.300	8,09,496
	Acetone	Kg.	24.100	1,682.000	448.100	25,940
	Engineering Goods		—	1,07,500	—	—
	Helium Gas	Cu.m.	63.000	51,100	98.000	75,740
D)	**CLOSING STOCK**					
	Liquid Nitrogen	Cu.m.	—	—	—	—
	Sheet & Steel Materials	MT	2,359.655	5,09,07,197	2,848.320	6,19,50,960
	Sheet in (Transit)	MT	222.325	50,67,844	—	—
	Hydrogen	Cu.m.	79.900	3,723	42.300	2,115
	Carbon-di-Oxide	Kg.	378.000	3,213	832.000	11,648
	Nitrous Oxide	Cu.m.	43.120	6,296	27.940	4,406
	Liquid Oxygen	MT	—	—	—	—
	Helium Gas	Cu.m.	490.000	3,16,050	553.000	3,56,685
E)	**WASTAGE/OWN CONSUMPTION**					
	Liquid Nitrogen	Cu.m.	—	—	3,247.200	—
	Carbon di Oxide	Kg.	—	—	2,718.000	—

SCHEDULE : 18 (Contd.)

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

	2006-2007		2005-2006	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Indigenous	30,91,048 Cu.m.	2,70,19,035	1,07,22,133 Cu.m.	3,46,14,294
	144.000 Kg.	71,02,642	82,730 Kg.	25,45,741
Imported	1,46,715 Kg.	34,35,176	2,56,088 Kg.	77,67,315

5. **Value of Stores & Spares Consumed:**

	Value (RS.)	Percentage	Value (Rs.)	Percentage
Indigenous	73,54,306	30%	66,88,952	100%
Imported	1,69,31,859	70%	NIL	NIL

6. **Value of Import on CIF Basis:**

	Rs.	Rs.
a) Capital Goods (in progress)	NIL	12,03,88,411
b) Trading Goods	8,10,21,857	9,57,29,520
c) Others (Spares)	1,73,37,859	16,82,289
(Raw Material)	41,31,776	70,87,129

	2006-07	2005-06
	Rs.	Rs.
7. Miscellaneous Expenses do not include any expenses exceeding 1% of the total revenue or Rs. 5,000 whichever is higher		
8. Earning in Foreign Currency on FOB basis	NIL	NIL
9. Expenditure in Foreign Currency :		
Travelling	2,500	1,472
Trading goods	17,34,822	19,46,768
Raw Materials	1,04,325	1,46,346
Spares	2,49,485	25,716
Capital goods	—	2,58,063
10. Dividend remittance to non resident Shareholders	NIL	NIL
11. Employees employed throughout the year drawing remuneration not less than Rs. 24,00,000 per annum	NIL	NIL
12. Employees employed part of the year drawing remuneration not less than Rs. 2,00,000 per month	NIL	NIL

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE : 18 (Contd.)

13. **Loans & Advances includes :**

Debts due by Companies under the same management in which the Directors are interested as Directors/ Members.

	Balance (Rs.)	Maximum Balance (Rs.)
Superior Tea & Allied Industries Pvt. Ltd.	2,25,000	2,25,000

14. Auditors' remuneration Rs. 72,755 includes Audit Fees Rs. 50,562 (Previous Year Rs. 50,508), Tax Audit Fees, Rs. 8,163 (Previous Year Rs. 8,418), Internal Audit Fees Rs. 11,500 (Previous Year Rs. 11,500) and in other capacity Rs. 2,530 (Previous Year Rs. NIL) .

15. **Significant Accounting Policies :**

(a) **Accounting Convention :**

The accompanying financial statements have been prepared in accordance with historical cost convention.

(b) **Fixed Assets :**

Fixed Assets are stated at cost less depreciation. Assets acquired on hire purchase, for which ownership will vest on a future date, are capitalised at cash cost.

(C) **Depreciation :**

In respect of Kalyani Plant

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

In respect of Uluberia Plant

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

(d) **Investments :**

Investments are stated at cost.

(e) **Inventories :**

(i) Raw Materials & Trading Goods are valued at cost.

(ii) Finished goods are valued at lower of cost or net realisable value.

(iii) Stores and spares are valued at cost using the weighted average cost formula.

(iv) Qouted Shares and Securities are valued at lower of cost or market value.

(f) **Foreign Exchange Transaction :**

Transactions in foreign currency are accounted for at the equivalent rupee value earned.

(g) **Retirement Benefit :**

The accrued liability for gratuity payable to employees has been calculated on the basis of an actuarial valuation and provided in accounts. In respect of Provident Fund, the contribution is paid to the Fund administered by the Government and is charged to revenue.

SCHEDULE : 18 (Contd.)

(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 capitalised up to the state when such assets are ready for its intended use and other borrowing costs are charged to Profit and Loss Account.

(i) **Revenue Recognition :**

Revenue from the sale of products are recognised on despatch of goods to customer which correspnds to transfer of significant risks and rewards of ownership and are net of sales tax and trade discount., Central excise..

(j) **Provisions :**

A provision is recognised 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 estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to current management estimates.

16. 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.

17. Earning per Share has been calculated as under :

	2006-07	2005-06
Net Profit	5,05,94,168	83,33,134
Weighed average number of Equity Shares outstanding	65,46,780	65,46,780
Earning per Share - Basic & Diluted (Face Value of Rs. 10 each)	7.73	1.27

18. In accodance with Accounting Standards 22 viz. "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the accumulated deferred tax asset at the beginning of the effective year (i.e. year ending 31.03.02) works out to Rs. 85,29,815, which have been duly adjusted with the Company's General Reserve on that date.

Major components of Deferred Tax arising on account of temporary timing deferrences are :

Deferred Tax Liability	2006-07	2005-06
Depereciation and Expenditure u/s 43B of Income Tax Act, 1956	1,40,66,579	1,08,07,147
Deferred Tax Assets unamortised expenses and others	67,51,068	60,31,952
Net deferred Tax Liabilities	73,15,512	47,75,195

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

SCHEDULE : 18 (Contd.)

19. Balance with Non-scheduled Banks : HDFC Bank Rs. 25,28,297 (Max Balance Rs. 25,28,299) and IDBI Bank Rs. 16,31,300 ((Max Balance Rs. 16,31,300).

20. 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
       Superior Tea & Allied Industries Pvt. Ltd.

    b) Key Managerial Personnel
       Shri Shanti Prasad Agarwala, Managing Director
       Shri Padam Kumar Agarwala, Executive Director

    c) Transactions with related Parties :

Nature of Transactions	Related Party	Key Management Personnel
Managerial Remuneration		10,20,000
		(8,40,000)
Outstanding Balances as on 3.03.2007	2,25,000	
Receivables	(2,25,000)	

21. Segment Reporting :

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

    a) The Company has two primary business segments :
       (i) Gases and related products
       (ii) Sheets

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

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

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

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE : 18 (Contd.)

SEGMENT REPORTING

PARTICULARS	Year ended 31.03.2007	Year ended 31.03.2006
REVENUE EXTERNAL (NET OF EXCISE DUTY)		
Gases and related products	29,46,78,263	17,18,09,552
Sheets	13,42,56,828	9,03,33,426
	42,89,35,091	**26,21,42,978**
DEPRECIATION		
Gases and related products	3,41,34,450	2,18,20,156
Sheets	69,759	5,52,944
	3,42,04,209	**2,23,73,100**
PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		
Gases and related products	5,26,54,106	95,47,770
Sheets	1,14,01,100	1,14,41,191
	6,40,55,206	**2,09,88,961**
NET FIXED ASSETS		
Gases and related products	34,27,70,232	36,27,71,193
Sheets	6,04,444	6,34,157
	34,33,74,676	**36,34,05,350**
CURRENT ASSETS		
Gases and related products	11,39,66,025	9,61,51,956
Sheets	9,60,06,599	6,77,66,180
	20,99,72,624	**16,39,18,136**
CURRENT LIABILITIES		
Gases and related products	7,82,05,889	12,41,76,297
Sheets	2,10,12,607	1,06,71,675
	9,92,18,496	**13,48,47,972**
CAPITAL EXPENDITURE		
Gases and related products	1,42,65,212	34,02,65,430
Sheets	—	—
	1,42,65,212	**34,02,65,430**

22. Previous year's figures are re-grouped wherever necessary.

Signature to Schedules '1' to '18'

As per our Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
A. KUMAR
Proprietor
(Membership No. 013166)
9/15, Fern Road, (1st Floor)
Kolkata - 700 019
Dated : 1st day of September, 2007

SHANTI PRASAD AGARWALA
Managing Director

PADAM KUMAR AGARWALA
Executive Director

MANAS KUMAR DUTTA
AJIT KHANDELWAL
SAMINDRA KUMAR GUPTA
Directors

A.K. BANDYOPADHYAY
Secretary

CASH FLC STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

			31.03.2007	31.03.2006
A.	**CASH. LOW FROM OPERATING ACTIVITIES**		Rs.	Rs.
	Net pro.it before tax		6,40,55,209	2,09,88,961
	Adjustments for :			
	Depreciation		3,41,95,888	2,19,08,367
	Interest (Expenses)		3,12,49,345	1,91,82,861
	Profit on sale of Fixed Assets		(6,27,760)	(71,35,643)
	Dividend (income)		(32,796)	(1,11,120)
	Interest (income)		(9,36,629)	(3,25,265)
	Operating profit before working capital changes		12,79,03,257	5,45,08,161
	Adjustments for :			
	Trade and other receivable		(2,05,65,557)	(2,35,59,684)
	Inventories		92,17,697	(5,51,13,923)
	Trade and other payables		(1,41,82,500)	4,37,20,432
	Cash generated from operation		10,23,72,897	1,95,54,986
	Income tax paid		(5,73,527)	(10,85,981)
	Net cash from Operating Activities	(A)	10,17,99,370	1,84,69,005
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets		(1,71,45,131)	(33,05,08,361)
	Capital Work-in-progress		1,00,000	24,51,57,542
	Sale of Fixed Assets		35,07,679	97,57,940
	Interest received		9,36,629	3,25,265
	Dividend received		32,796	1,11,120
	Net Cash used in Investing Activities	(B)	(1,25,68,027)	(7,51,56,494)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from long term Borrowings		1,03,00,000	9,34,62,838
	Increase in Cash Credit and other short term borrowings		2,06,46,945	1,67,41,804
	Repayment of long term Borrowings		(3,89,25,000)	(3,37,50,000)
	Payment of Interest		(3,12,49,345)	(1,91,82,861)
	Payment of Gratuity		(4,53,859)	(37,594)
	Payment of Leave Salary		(39,809)	—
	Payment of Dividend		(32,73,390)	(7,27,420)
	Payment of Dividend Tax		(4,59,100)	(1,02,020)
	Net cash used in financing activities	(C)	(4,34,53,558)	5,64,04,747
	Net increase/decrease in cash and cash equivalent	(A+B+C)	4,57,77,785	(2,82,742)
	Opening cash and cash equivalents		69,95,315	72,78,057
	Closing Cash and Cash equivalents		5,27,73,100	69,95,315

Dated :
1st day of September, 2007

A.K. BANDYOPADHYAY
Secretary

SHANTI PRASAD AGARWALA
Managing Director
PADAM KUMAR AGARWALA
Executive Director

MANAS KUMAR DUTTA
AJIT KHANDELWAL
SAMINDRA KUMAR GUPTA
Directors

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement with the books and records maintained by Ellenbarrie Industrial Gases Limited and certify that in our opinion and according to the information and explanations given to us, the above statement is in accordance therewith.

For A.K. KUMAR & CO.
Chartered Accountant
A Kumar
Proprietor
(Membership No.013166)

9/15 Fern Road, (1st Floor)
Kolkata - 700 019

Dated : 1st day of September, 2007

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE C

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. 29102 State C.

Balance Sheet Date 31 (Date) 03 (Month) 2007 (Year)

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue: NIL	Bonus Issue: NIL
Right Issue: NIL	Private Placement: NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSAND)

Total Liabilities: 554213	Total Assets: 554213

SOURCES OF FUNDS

Paid-up Capital: 65467	Reserves and Surplus: 59894
Secured Loans: 281549	Unsecured Loans: 15557

APPLICATION OF FUNDS

Net Fixed Assets: 343375	Investments: 15
Net Current Assets: 86395	Misc. Expenditure: NIL
Accumulated Losses: NIL	

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover: 536430	Total Expenditure: 472375
+ - Profit/ (Loss) Before Tax: ✓ 64055	+ - Profit/(Loss) After Tax: ✓ 50594

(Please tick Appropriate box + for profit, - for loss)

Earning Per Share (Rs.): 8	Dividend Rate (%): 10

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description
280440	OXYGEN
280430	NITROGEN
280421	ARGON

For A. K. Kumar & Co.
Chartered Accountant
A. KUMAR
Proprietor
(Membership No. 013166)
9/15, Fern Road, (1st Floor)
Kolkata - 700 019
Dated : 1st day of September, 2007

SHANTI PRASAD AGARWALA
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