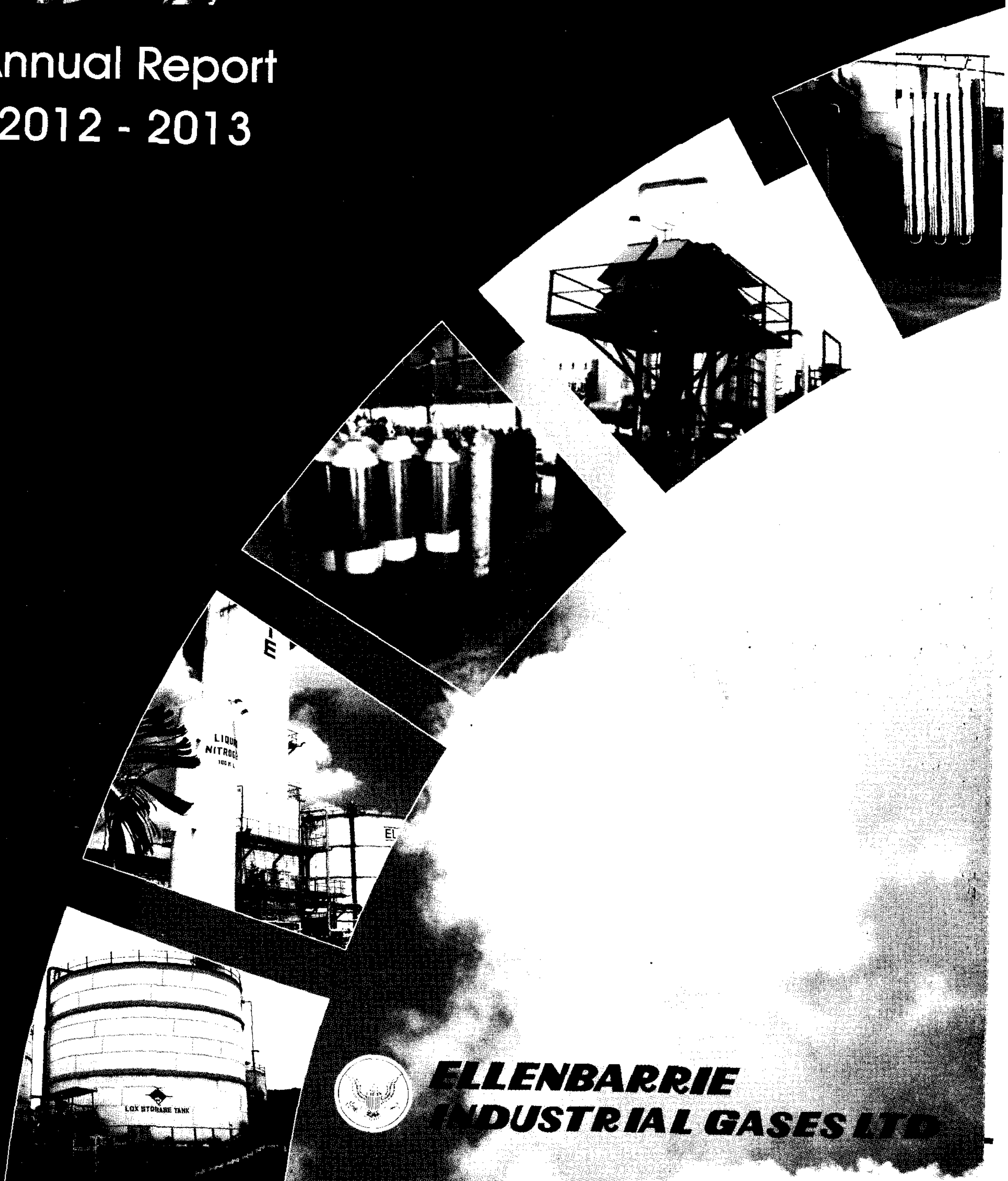
# 39

# Annual Report
## 2012 - 2013




# ELLENBARRIE INDUSTRIAL GASES LTD

# ELLENBARRIE INDUSTRIAL GASES LTD

**DIRECTORS**

Shri Shanti Prasad Agarwala, *Managing Director*
Shri Padam Kumar Agarwala, *Joint Managing Director*
Shri Varun Agarwal, *Executive Director*
Shri Ajit Khandelwal, *Director*
Shri Manas Kumar Dutta, *Director*
Dr. Ranesh Bhowmick, *Director*

**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 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. Pharmacity, 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 Thirty Nineth Annual General Meeting of the Company will be held at THE CONCLAVE (Rose Room), 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 on Monday the 30th September, 2013 at 4.30 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2013 and also the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Dr. Ranesh Bhowmick who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ajit Khandelwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. A. K. Kumar & Company, Chartered Accountants 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.

| | |
|---|---|
| Registered Office : | By Order of the Board |
| 3A, Ripon Street | |
| Kolkata - 700 016 | S. P. AGARWALA |
| Dated : 5th day of September, 2013 | 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. Blank proxy form is enclosed.

b. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September, 2013 to 30th September, 2013 (both days inclusive) .

c. The Equity Shares of the Company can be dematerialised by the Shareholders under ISIN NO. INE236E01014 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.

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

e. Shareholders holding shares in more than one account are requested to intimate to the Registrar of the Company Ledger folios to enable the Company to consolidate the same into one account.

## **NOTICE** (Contd.)

f. Members are requested to bring their Attendance Slips together with their copies of the Annual Report at the meeting.

g. No Brief Case or Bag or Mobile Phone will be allowed to be taken inside the meeting room.

h. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, as amended, the dividend amounts which remain unpaid / unclaimed for a period of 7 (Seven) years, are required to be transferred to the Investors Education and Protection Fund of the Central Government. After that there remains no claim of the members whatsoever on the said amount. Accordingly, the Dividend for the financial year 2005 - 2006 which remains unclaimed is due to be transferred to the said account after 30th September, 2013 and for further years commencing from 2006 - 2007 onwards on their respective due dates.

   Members who have not claimed / encashed their final Dividend so far for the financial year ended 31st March, 2007 or any subsequent financial year(s) may approach the Company for obtaining payments thereof before expiry of the stipulated 7 years period.

i. Members are requested to register their e-mail addresses in respect of electronic holdings with the depository participant and members who hold shares in physical form are requested to intimate e-mail address to SHARE TRANSFER AGENT, ABS Consultant Pvt. Ltd., 99, Stephan House, 6th Floor, 4, B. B. D. Bag (East), Kolkata - 700 001.

j. Members may avail facility of nomination in terms of Section 109A of the Companies Act 1956, by nominating in the Form 2B (given elsewhere in the Annual Report) any person to whom their shares in the Company shall vest in the event of their death.

k. A corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the Corporate member send certified true copy of the Board Resolution / Power of Attorney authorising the representative to attend and vote at the Annual General Meeting.

l. Members who hold shares in dematerialised form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio Number in the attendance Slip for attending the Meeting.

m. All correspondence with regard to Share Transfer / dividend and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent ABS CONSULTANT PVT. LTD., 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East) Kolkata - 700 001.

n. The securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore requested to submit the PAN details to their depository participants Members holding shares in physical form can submit their PAN details to the Company.

## NOTICE (Contd.)

o. Pursuant to Clause 49(IV) (G)(i) of the listing Agreement with the Stock Exchanges, the details of the Directors seeking appointment / reappointment at the forthcoming Annual General Meeting are provided as under :

| | | |
|---|---|---|
| Name of Director | Mr. Ajit Khandelwal | Dr. Ranesh Bhowmick |
| Date of Birth | 10th November, 1957 | 9th March, 1936 |
| Date of Appointment | 15-12-2003 | 28-05-2012 |
| Expertise in specific functional area | Stock Broking, Investment Advisory, Merchant Banking and Equity Research | Medical and Health Care |
| Qualification | B.Com | MBBS, DCH |
| Shareholding in the Company | Nil | Nil |
| List of other Public Limited Companies in which Directorship held | 1) Bharat Fritz Werner Ltd.<br>2) BNK Capital Markets Ltd.<br>3) Kothari Phytochemicals & Industries Ltd.<br>4) Nucent Estate Ltd.<br>5) The Calcutta Stock Exchange Ltd. | Nil |
| Chairman/Member of the Committees of the Board across all Public Companies in which he is Director | BNK Capital Markets Ltd. (Member of Shareholders Grievance Redressal Committee)<br>Kothari Phytochemicals and Industries Ltd. (Member of Audit Committee and shareholders Grievance Redressal Committee)<br>Nucent Estate Ltd. (Member of Audit Committee and shareholders Grievance Redressal Committee) | Nil |
| Chairman/Member of the Committees of the Board of Directors of the Company | Member of the Remuneration Committee and Member of the Audit Committee | Nil |

## **NOTICE** (Contd.)

p. SEBI vide it's Circular No. CIR/MRD/DP/10/2013 dt. 21st March, 2013 has instructed companies for usage of electronic payment modes for making cash payments to the shareholders. Companies whose Securities are listed on Stock Exchanges are directed to use electronic mode of payment either directly or through their STA. Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) if shares are held in physical form. If shares are held in dematerialised form members may kindly provide the requisite bank account details to their Depository participant, to ensure that future dividend payments are correctly credited to the respective account.

q. The Ministry of Corporate Affairs has undertaken a 'Green initiative in Corporate Goverance' by allowing paperless compliances by Companies through electronic mode, vide its Circular Nos. 17/2011 and 18/2011 dt. April 21, 2011 and April 29, 2011, respectively. Members are requested to support this Green initiative by registering their e-mail address with the Company for receiving electronic communications.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 5th day of September, 2013

By Order of the Board

S. P. AGARWALA
Managing Director

# DIRECTORS' REPORT

## DEAR SHAREHOLDERS

Your Directors are pleased to present the Thirty Ninth Annual Report on the operations of the Company together with audited Accounts for the year ended 31st March, 2013.

## FINANCIAL RESULTS

*Amount (Rs. in lacs)*

| | Year Ended 31st March, 2013 | Year Ended 31st March, 2012 |
|---|---|---|
| Revenue from operation (Net of Excise) | 7,937.99 | 7,152.53 |
| Other Income | 138.63 | 272.08 |
| Profit before Taxation | 56.27 | 116.94 |
| Provision for Taxation | 10.72 | 23.40 |
| Profit after Tax | 45.55 | 93.54 |
| Earning per Share of Rs. 10 each | 0.70 | 1.43 |

## PERFORMANCE

During the financial year 2012-13 sales of manufactured goods (Net of Excise) registered an increase of 6% over that of the 2011-12. While Visakhapatnam Plant contributed 47% of the total volume of manufactured goods, share of Uluberia and Kalyani was 47% and 6% respectively. Profit for the year declined due to massive increase of cost of power, finance cost and material consumption.

## DIVIDEND

In view of inadequacy of profit, Board of Directors has not recommended any dividend for the year ended 31st March, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the 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, 2013.
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.

## PARTICULARS OF EMPLOYEES

Your Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employee) Rules 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

# DIRECTORS' REPORT (Contd.)

## DIRECTORS

In accordance with provisions of Companies Act, 1956 read with Articles of Association of your Company, Dr. Ranesh Bhowmick and Shri Ajit Khandelwal retire by rotation and being eligible, offer themselves for re-appointment. A brief resume / details relating to Dr. Ranesh Bhowmick & Shri Ajit Khandelwal are furnished in the notice of the ensuring Annual General Meeting.

## AUDITORS AND AUDITORS REPORT

M/s. A. K. Kumar & Co., Chartered Accountants, the retiring Auditors have furnished to the Company the required certificate under Section 224(1B) of the Companies Act 1956 and are therefore eligible for reappointment as Auditors of the Company.

As regards Auditor's comment on non-compliance of AS-22 relating to deferred Tax prescribed by the Institute of Chartered Accountants of India, the Board considers it prudent to set off net cumulative deferred Tax liability of Rs. 5 Crores against deferred Tax on cumulative carry forward loss of Rs. 16.89 Crores as per Income Tax Return upto the Assessment Year 2012-13 keeping in view of anticipated growth of revenue and Taxable profit in future assessment years.

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

a) Increase in the installation of capacitors at Uluberia and Visakhapatnam Plant has reduced significantly power consumption per c.u.m. of liquid production.

b) Continuous effort is made for conservation of energy through production planning, Inventory management etc.

c) Foreign Exchange Earning : Rs. 1,56,60,974/- on FOB Basis.

d) Foreign Exchange Expenditure : Rs. 4,00,94,494/-

## 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, 2013 is annexed herewith as Annexure 'A'.

## MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated under Clause 49 of the listing Agreement with the Stock Exchange, it is presented in a separate Section as Annexure - B.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR

Corporate Governance is set out as annexure for the report.

## ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, Banks, Government Authorities, Customers, Vendors and members during the year under review. Your Directors also wish to acknowledge the dedication and commitment of employees at all levels.

For and on behalf of the Board of Directors

Kolkata - 700 016 — S. P. AGARWALA
Dated : 5th day of September, 2013 — Chairman

# ANNEXURE - 'A' TO THE DIRECTORS' REPORT

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

**MD / CFO Certification**

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

(i) These statements do not contain any materially unfair statement or any material fact or statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of the Internal Control Systems of the Company and have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

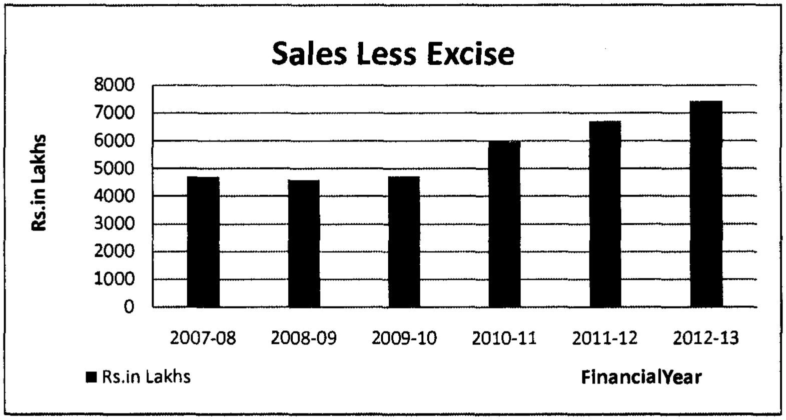
(d) We have indicated to the Auditors and the Audit Committee :

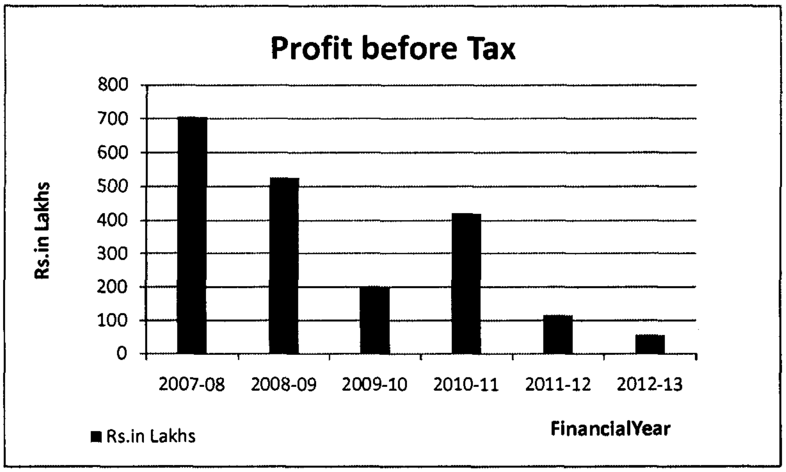
(I) Significant changes in internal control during the year.

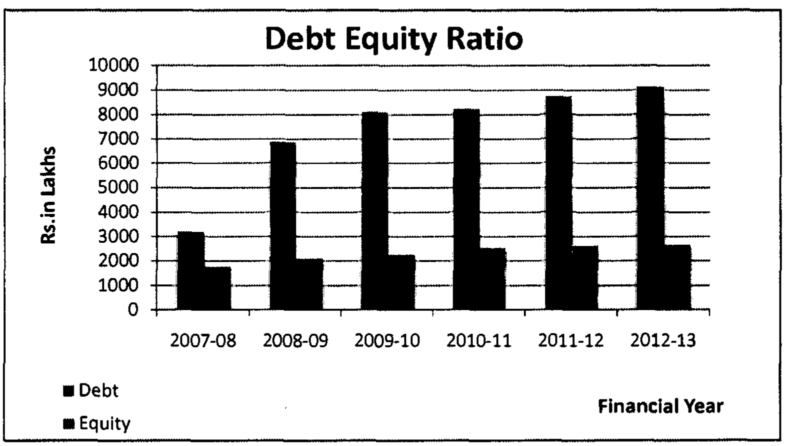
(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and

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

| | | |
|---|---|---|
| Kolkata - 700 016 | S. P. AGARWALA | T. GHOSH |
| Dated : 5th day of September, 2013 | Managing Director | Manager Accounts |


Sales Less Excise
Rs.in Lakhs
8000
7000
6000
5000
4000
3000
2000
1000
0
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Rs.in Lakhs
FinancialYear


Profit before Tax
Rs.in Lakhs
800
700
600
500
400
300
200
100
0
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Rs.in Lakhs
FinancialYear


Debt Equity Ratio
Rs.in Lakhs
10000
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Debt
Equity
Financial Year

# ANNEXURE - 'B' TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Eilenbarrie Industrial Gases Ltd. presents its analysis covering performance and forward looking statements based on certain assumptions and expectations of future event :

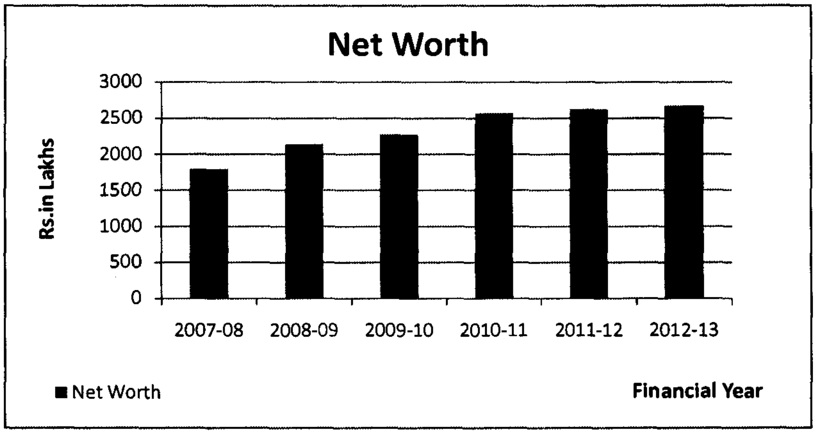
**Production and Sales Performance :**

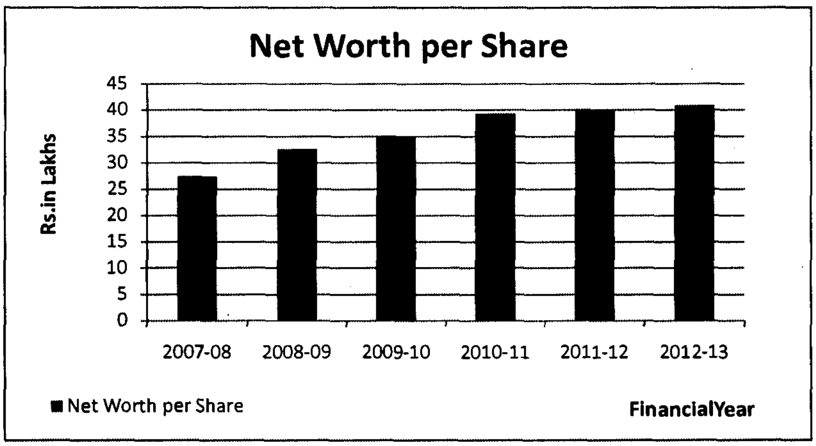
Particulars of goods manufactured and sold during the last two years are given in the following table :

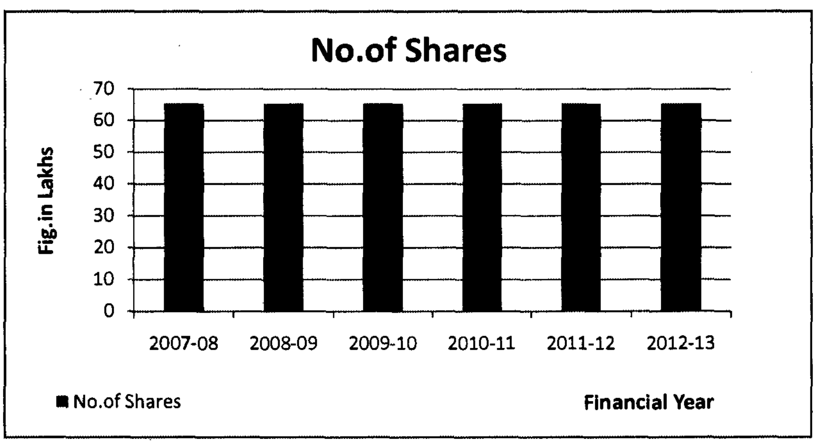
| | | Financial Year 2012-2013 | | Financial Year 2011-2012 | | %Increase/(Decrease) | |
|---|---|---|---|---|---|---|---|
| Products | Units | Production | Sales | Production | Sales | Production | Sales |
| Oxygen | cu.m | 2,44,34,162.10 | 2,08,98,992.65 | 3,62,49,553.25 | 3,61,02,550.00 | (32.59) | (42.11) |
| Nitrogen | cu.m | 2,84,91,011.29 | 2,60,87,512.59 | 2,97,88,613.70 | 5,96,44,032.50 | (4.36) | (12.00) |
| Argon | cu.m | 7,87,972.63 | 6,35,486.48 | 5,85,958.61 | 5,80,935.99 | 34.48 | 9.39 |
| Acetylene | cu.m | 94,179.00 | 84,044.90 | 86,382.80 | 85,707.90 | 9.03 | (1.94) |
| Medical Oxygen | cu.m. | 23,11,666.34 | 23,40,305.84 | 2,85,509.01 | 2,72,817.28 | 709.66 | 757.33 |
| Carbon-di-Oxide | kg. | 12,53,413.50 | 12,24,325.25 | 12,18,206.00 | 11,74,084.00 | 2.89 | 4.28 |
| Gas Mixture | cu.m | 73,216.80 | 94,936.00 | 60,075.50 | 58,215.50 | 21.87 | 63.08 |

Demand of industrial gases have direct relationship with GDP growth of the country. General downtrend in economy specially, in the manufacturing sector continue to affect demand of gases of your company. In addition, cost of energy which is one of our main inputs has been steadily rising. It has not been possible to recover the higher input cost from the market because of creation of excess capacity by the competitors in a shrinking market. The results of the company have been affected due to combination of these factors.

Lower production of steel and sluggish general engineering activities in Eastern India have had massive effect on volume of Oxygen sale. We have been able to maintain volume of Nitrogen very close to last year's level through our dominant presence in the Pharmaceutical market. We have put on special thrust on other gases like Oxygen for medical uses and speciality gases.


Net Worth
3000
2500
2000
1500
1000
500
0
Rs.in Lakhs
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Net Worth
Financial Year


Net Worth per Share
45
40
35
30
25
20
15
10
5
0
Rs.in Lakhs
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Net Worth per Share
FinancialYear


No.of Shares
70
60
50
40
30
20
10
0
Fig.in Lakhs
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
No.of Shares
Financial Year

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### BUSINESS RESTRUCTURING

AIR WATER INC (hereinafter called the acquirer) incorporated under the laws of Japan having its principal office at 12 - 8 Minami Semba 2-Chome, Chuo-Ku, Osaka 542 0081 Japan has entered into a share purchase agreement dated June 14, 2013 with promoters and promoter group of the company. The acquirer wishes to acquire 51% of the equity share capital of the company. Salient features of the scheme of acquisition are already in the public domain through public announcement process under various Regulations of SEBI [Substantial Acquisition of shares and Takeovers Regulations 2011] by the acquirer through Merchant banker Axis Capital Ltd.

The encouraging aspect of the acquisition is that products and services offered by your company and by the acquirer are complementary to each other and if combined, would complete a range of product offering in industrial gas business. On completion of the takeover there will be addition to the Board with new directors and your company will be able to penetrate, new market, new product and new services, which will go a long way to bolster the growth and strength of the company.

### MANAGEMENT OUTLOOK AND STRATEGY

In the midst of depressed macro economic scenario we expect improvement in economy in the short term that would lift activities in the core sector and create a demand pull of our products. Our products play very important roles in the growth of core sector and, one can expect gradual upturn in production of steel, automobiles, power generation, oil refining in course of time. We anticipate that the year 2013 - 14 would be an extremely challenging year. We hope to commission a new plant at Hyderabad in the first quarter of next year i.e. 2014 - 15.

Under the present challenging time, more internal actions are required rather than waiting for upturn of economy. Some of the actions in cost containment, productivity improvement and application development of our products towards providing total solution to customers have assumed greater importance. Your company has also decided to move into diversified product lines in niche market, and this would help our financial fundamentals in the future.

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our outlook is to establish Systems and Practices for establishing transparency, accountability and satisfy Shareholders aspirations and meet social objectives. In terms of Clause 49 of listing agreement with the Calcutta Stock Exchange Ltd. the details of compliance by the Company with the norms of Corporate Governance are as under :

## BOARD OF DIRECTORS

Your Company's Board comprises of three Independent Directors and three Executive Directors as on 31st March, 2013. The Chairman of the Board is an Executive Director. Details of the Board of Directors are given below :

| Sl. No. | Name of the Directors | Category | No. of Board meeting attended | No. of Directorship in other Public Limited Companies | Whether attended last AGM |
|---|---|---|---|---|---|
| 1. | Shri Shanti Prasad Agarwala | Managing Director | 13 | 08 | Yes |
| 2. | Shri Padam Kumar Agarwala | Joint Managing Director | 10 | 05 | Yes |
| 3. | Shri Varun Agarwal | Executive Director | 01 | 01 | No |
| 4. | Shri Ajit Khandelwal | Independent Director | 12 | 05 | No |
| 5. | Shri Manas Kumar Dutta | Independent Director | 13 | 03 | Yes |
| 6. | Dr. Ranesh Bhowmick | Independent Director | 02 | — | No |

## CODE OF CONDUCT

The Board of Directors have laid down a code of conduct for all the members of the Board and Senior Management of the Company. The code of conduct has been posted on the Company's website www.ellenbarrie.com

All Board Members and Senior Executives have confirmed compliance of the Code of Conduct.

## AUDIT COMMITTEE

a) The Terms of reference :

The terms of reference of the Audit Committee of the Company include the Power as referred to in Sub paragraph (C) of the paragraph II of Clause 49 of the listing Agreement and the role as stipulated in Sub paragraph (D) of paragraph II of Clause 49 of the listing Agreement of the Company with the Stock Exchange.

b) Composition of the Audit Committee :

As on 31-03-2013 the composition of the Audit Committee was as under :

i) Shri Manas Kumar Dutta (Chairman)
ii) Shri Shanti Prasad Agarwala (Member)
iii) Shri Ajit Khandelwal (Member)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Except Shri Shanti Prasad Agarwala, all other Directors are Independent Directors. The Company Secretary acts as Secretary to the Audit Committee. There were seven Meetings of the Audit Committee held during the year on 11th May, 2012, 19th July, 2012, 19th August, 2012, 29th August, 2012, 9th November, 2012, 17th December, 2012, 13th February, 2013.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 28th September, 2012.

**REMUNERATION COMMITTEE**

Shri Manas Kumar Dutta is the Chairman of the Committee. The role of the Remuneration Committee include the following :

1. Examining and suggesting the remuneration policy for Executive Directors.
2. Examining, reviewing and modifying the Human Resource Development Policy including all personnel related matters.

The details of remuneration paid to all the Wholetime functional Directors during the year ended 31st March, 2013 are given below :

| Name of the Directors | Salary Rs. | Perquisite Rs. | Total Rs. |
|---|---|---|---|
| Shri Shanti Prasad Agarwala | 14,40,000 | — | 14,40,000 |
| Shri Padam Kumar Agarwala | 14,40,000 | — | 14,40,000 |
| Shri Indrajit Mookerjee | 13,20,000 | — | 13,20,000 |
| Shri Varun Agarwal | 14,40,000 | — | 14,40,000 |

Remuneration paid to Part Time Independent Directors for attending the Board Meeting consisted of Sitting Fees :

| Name of the Directors | Sitting Fees (Rs.) |
|---|---|
| Shri Manas Kumar Dutta | 36,500 |
| Shri Ajit Khandelwal | 34,500 |
| Dr. Ranesh Bhowmick | 7,000 |

**SHAREHOLDERS GRIEVANCE REDRESSAL COMMITTEE**

The matter relating to redressal of Shareholders complaints i.e. transfer / transmission of shares, non-receipt of Annual Report etc. are being looked after by the Committee. The Committee comprised of (a) Shri Manas Kumar Dutta (b) Shri Ajit Khandelwal (c) Shri Padam Kumar Agarwala. Shri Manas Kumar Dutta is the Chairman of the Committee. During the period under review no complaints were received from investors. As on 31st March, 2013 there was no pending investor complaints.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### RISK MANAGEMENT

The Company has an integrated approach to managing risk inherent in various aspects of the business.

### DISCLOSURE

The details of the related Party Relationship and Transactions under Accounting Standard (AS-18) issued by ICAI are given under Note No. 33 of the Annual Audited Accounts as on 31st March, 2013. There were no instances of (i) non-compliance by the Company (ii) penalties, stricture imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority during the last three years.

### GENERAL INFORMATION FOR SHAREHOLDERS

| | | |
|---|---|---|
| CIN of the Company | : | L 24112 WB 1973 PLC 029102 |
| Date of Annual General Meeting & Time | : | 30th September, 2013 Monday, at 4.30 P.M. |
| Venue | : | THE CONCLAVE (Rose Room) 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 |
| Financial Year | : | 2012 - 2013 |
| Book Closure | : | From 28th September, 2013 to 30th September, 2013 |
| 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.<br>3A, Ripon Street, Kolkata - 700 016 |
| Registrar and Share Transfer Agent | : | ABS Consultant Pvt. Ltd.<br>Stephen House, 6th Floor, Room No. 99<br>4, B.B.D. Bag (East) Kolkata - 700 001 |
| Plant Locations | : | Kalyani Works<br>Block 'D' Plot No. - 25, Kalyani Industrial Estate<br>P.O. : Kalyani, District : Nadia (W.B.)<br>Uluberia Works<br>NH-6, Bombay Road, P.O. Uluberia<br>Dist. Howrah (W.B.)<br>Parwada Works<br>Plot No. 57A, J.N. Pharmacity, Parwada<br>Visakhapatnam, Andhra Pradesh |

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### GENERAL BODY MEETING

Details of the Meeting held in last three years.

I) ANNUAL GENERAL MEETING :

| Financial Year | Date and Time | Venue |
|---|---|---|
| 2011 - 2012 | 28-09-2012 at 03.30 P.M. | THE CONCLAVE (ROSE ROOM)<br>216, A.J.C. BOSE ROAD, KOLKATA - 700 017 |
| 2010 - 2011 | 30-09-2011 at 03.00 P.M. | THE CONCLAVE (ROSE ROOM)<br>216, A.J.C. BOSE ROAD, KOLKATA - 700 017 |
| 2009 - 2010 | 30-09-2010 at 04.00 P.M. | THE CONCLAVE (ROSE ROOM)<br>216, A.J.C. BOSE ROAD, KOLKATA - 700 017 |

II) EXTRA ORDINARY GENERAL MEETING :

| Financial Year | Date and Time | Venue |
|---|---|---|
| 2011 - 2012 | — | — |
| 2010 - 2011 | — | — |
| 2009 - 2010 | — | — |

### SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2012 to 31-03-2013, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2012 - March, 2013. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008.

| Month | Bombay Stock Exchange High (Rs.) | Bombay Stock Exchange Low (Rs.) | Volume No. of Shares |
|---|---|---|---|
| April | — | — | — |
| May | — | — | — |
| June | 457.35 | 457.35 | 31 |
| July | — | — | — |
| August | 470.00 | 450.00 | 21 |
| September | 470.00 | 469.00 | 4 |
| October | — | — | — |
| November | 470.00 | 470.00 | 1 |
| December | 493.50 | 475.00 | 3 |
| January | 483.00 | 450.00 | 20 |
| February | 446.00 | 446.00 | 1 |
| March | 425.00 | 390.00 | 536 |

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

| No. of Shares | No. of Shareholders | % of Shareholders | No. of Shares held | Value of Shares | % of Shareholding |
|---|---|---|---|---|---|
| 1-500 | 145 | 78.38 | 9,538 | 95,380 | 0.15 |
| 501-1,000 | 8 | 4.32 | 7,137 | 71,370 | 0.11 |
| 1,001-2,000 | 6 | 3.24 | 10,600 | 1,06,000 | 0.16 |
| 2,001-3,000 | — | — | — | — | — |
| 3,001-4,000 | — | — | — | — | — |
| 4,001-5,000 | 1 | 0.54 | 4,255 | 42,550 | 0.06 |
| 5,001-10,000 | 2 | 1.08 | 16,200 | 1,62,000 | 0.25 |
| 10,001-50,000 | 5 | 2.70 | 1,15,950 | 11,59,500 | 1.77 |
| 50,001-1,00,000 | 8 | 4.32 | 5,15,200 | 51,52,000 | 7.87 |
| 1,00,001 and above | 10 | 5.42 | 58,67,900 | 5,86,79,000 | 89.63 |
| **TOTAL** | **185** | **100.00** | **65,46,780** | **6,54,67,800** | **100.00** |

### STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

| Category | No. of Shareholders | No. of Shares | % of Shareholding |
|---|---|---|---|
| **PROMOTER HOLDING** | | | |
| Individual / HUF | 10 | 48,31,480 | 73.80 |
| Bodies Corporate | — | — | — |
| **Total No. of Promoter Holding** | **10** | **48,31,480** | **73.80** |
| **NON PROMOTER HOLDING** | | | |
| Institution | — | — | — |
| Mutual Fund / UTI | — | — | — |
| Financial Institution/Bank | — | — | — |
| **NON-INSTITUTION** | | | |
| Bodies Corporate | 19 | 12,74,682 | 19.47 |
| Indian Public | 155 | 4,00,118 | 6.11 |
| NRI / OCB / Foreign National | — | — | — |
| Central Govt. / State Govt. | 01 | 40,500 | 0.62 |
| **Total No. of Non promoter Holding** | **175** | **17,15,300** | **26.20** |
| **Grand Total** | **185** | **65,46,780** | **100.00** |

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are tradable in dematerialisation form 83% of Equity Shares were held in dematerialised form as on 31st March, 2013.

### MEANS OF COMMUNICATIONS

In terms of Clause 41 of the listing agreement, quarterly results are published in Business Standard (English edition) and Arthik Lipi (Bengali edition).

### COMPANY WEBSITE

The Company has its Website namely www.ellenbarrie.com providing information about the Company, its products and services, registered office, present locations, etc.

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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, 2013.

For and on behalf of the Board
S. P. AGARWALA
Chairman

Kolkata
Dated : 5th day of September, 2013

# 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 Eilenbarrie Industrial Gases Limited, for the year ended 31st March, 2013, 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.

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

9/15, Fern Road
Kolkata - 700 019
Dated : 5th day of September, 2013

# AUDITORS' REPORT

**TO THE MEMBERS**

I have audited the attached Balance Sheet of ELLENBARRIE INDUSTRIAL GASES LIMITED as at 31st March, 2013 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

i) a) The Company maintains proper records showing full particulars, including quantitative details and situation of Fixed Assets.

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 conducted by the management at the end of the year.

b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) 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.

iv) a) Transactions that need to be entered into a register in pursuance of Section 301 of the Act, have been so entered.

b) Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

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

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

vii) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess or any other statutory dues with the appropriate authorities and there is no arrear of more than six months as at the last day of the year.

## AUDITORS' REPORT (Contd.)

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

ix) 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.

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

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

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

Further to my comments, I report that :

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

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

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

iv) **In my opinion, Subject to non compliance of AS 22: Re: Deferred Tax, the Balance Sheet and Statement of Profit & Loss 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, 2013 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 ;

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 ;

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

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

9/15, Fern Road
Kolkata - 700 019
Dated : 5th day of September, 2013

## **BALANCE SHEET** AS AT 31ST MARCH, 2013

| | Note No. | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' FUND** | | | |
| Share Capital | 1 | 6,54,67,800 | 6,54,67,800 |
| Reserves and Surplus | 2 | 20,18,22,944 | 19,72,67,620 |
| | | 26,72,90,744 | 26,27,35,420 |
| **NON-CURRENT LIABILITIES** | | | |
| Long Term Borrowings | 3 | 60,94,98,318 | 60,37,01,285 |
| Deferred Tax Liabilities (Net) | 4 | 89,80,267 | 89,80,267 |
| | | 61,84,78,585 | 61,26,81,552 |
| **CURRENT LIABILITIES** | | | |
| Short Term Borrowings | 5 | 30,50,23,791 | 27,12,27,836 |
| Trade Payables | 6 | 7,27,50,145 | 6,47,10,169 |
| Other Current Liabilities | 7 | 11,12,62,274 | 10,09,68,784 |
| Short Term Provisions | 8 | 5,37,08,654 | 5,42,34,944 |
| | | 54,27,44,864 | 49,11,41,733 |
| **TOTAL** | | 1,42,85,14,193 | 1,36,65,58,705 |
| **ASSETS** | | | |
| **NON CURRENT ASSETS** | | | |
| Fixed Assets | 9 | | |
| Tangible Assets | | 84,89,41,934 | 89,70,96,277 |
| Intangible Assets | | 25,29,157 | 24,86,743 |
| Capital Work-in-Progress | | 4,32,81,698 | 2,82,15,002 |
| | | 89,47,52,789 | 92,77,98,022 |
| Non Current Investments | 10 | — | 24,60,000 |
| **CURRENT ASSETS** | | | |
| Inventories | 11 | 5,77,92,581 | 5,13,72,506 |
| Trade Receivables | 12 | 13,08,65,606 | 12,76,54,538 |
| Cash and Cash Equivalents | 13 | 7,63,98,203 | 5,76,54,062 |
| Short Term Loans and Advances | 14 | 26,87,05,014 | 19,96,19,577 |
| | | 53,37,61,404 | 43,63,00,683 |
| **TOTAL** | | 1,42,85,14,193 | 1,36,65,58,705 |

NOTES TO ACCOUNTS 22 to 36

Notes 1 to 14 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 : 5th day of September, 2013

SHANTI PRASAD AGARWALA
*Managing Director*

PADAM KUMAR AGARWALA
*Joint Managing Director*

On behalf of the Board of Directors

VARUN AGARWAL
*Executive Director*

MANAS KUMAR DUTTA
*Director*

A. K. BANDYOPADHYAY
*Secretary*

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note No. | For the Year Ended 31.03.2013 Rs. | For the Year Ended 31.03.2012 Rs. |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 15 | 79,37,98,793 | 71,52,52,641 |
| Other Income | 16 | 1,38,63,996 | 2,72,08,139 |
| **Total Revenue** | | 80,76,62,789 | 74,24,60,780 |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 17 | 4,65,72,937 | 4,09,88,906 |
| Material Purchased for Trading | | 15,20,57,358 | 9,71,66,571 |
| Changes in Inventories of Stock-in-Trade | 18 | (78,13,434) | 95,62,458 |
| Employee Benefits Expense | 19 | 4,41,51,337 | 4,11,82,524 |
| Finance Cost | 20 | 10,03,85,687 | 9,26,50,420 |
| Depreciation and Amortization Expense | 9 | 7,53,09,681 | 7,52,99,998 |
| Other Expenses | 21 | 39,13,71,545 | 37,39,15,651 |
| **Total Expenses** | | 80,20,35,111 | 73,07,66,528 |
| **Profit before Tax** | | 56,27,678 | 1,16,94,252 |
| **Tax Expense :** | | | |
| Current Tax | | 10,72,354 | 23,39,805 |
| Deferred Tax | | — | — |
| **Profit for the year** | | 45,55,324 | 93,54,447 |
| Earnings Per Share | | | |
| Basic and Diluted earning per share (in Rs.) | | 0.70 | 1.43 |

NOTES TO ACCOUNTS 22 to 36

Notes 15 to 21 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 : 5th day of September, 2013

SHANTI PRASAD AGARWALA
*Managing Director*

PADAM KUMAR AGARWALA
*Joint Managing Director*

On behalf of the Board of Directors

VARUN AGARWAL
*Executive Director*

MANAS KUMAR DUTTA
*Director*

A. K. BANDYOPADHYAY
*Secretary*

## NOTES TO BALANCE SHEET as at 31st March, 2013

| | | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|---|
| **1. SHARE CAPITAL** | | | |
| **Authorised** | | | |
| 2,10,00,000 | Equity Shares of Rs. 10 each | 21,00,00,000 | 21,00,00,000 |
| 4,00,000 | 9% Cumulative Redeemable Preference Shares of Rs. 100 each | 4,00,00,000 | 4,00,00,000 |
| | | 25,00,00,000 | 25,00,00,000 |
| **Issued, Subscribed and Paid-up** | | | |
| 65,46,780 | Equity Shares of Rs. 10 each | 6,54,67,800 | 6,54,67,800 |
| | | 6,54,67,800 | 6,54,67,800 |

a) There is no change in number of shares outstanding as at 31st March, 2013 and 31st March, 2012

b) The Company does not have any holding company

c) Details of Shareholders holding more than 5% shares in the company :

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|---|---|---|---|
| Equity Shares of Rs. 10 each fully paid | No. of Shares | % Holding | No. of Shares | % Holding |
| Mr. Shanti Prasad Agarwala | 5,35,320 | 8.18 | 5,35,320 | 8.18 |
| Shanti Prasad Agarwala (HUF) | 7,86,960 | 12.02 | 7,86,960 | 12.02 |
| Mr. Padam Kumar Agarwala | 12,88,800 | 19.69 | 12,88,800 | 19.69 |
| M/s. Heaven Commercial Pvt. Ltd. | 10,28,068 | 15.70 | 10,13,568 | 15.48 |
| Ms. Pushpa Devi Todi | 4,41,000 | 6.74 | 4,41,000 | 6.74 |
| Ms. Pushpa Devi Agarwala | 6,11,100 | 9.33 | 5,77,150 | 8.82 |
| Mr. Varun Agarwal | 5,76,000 | 8.80 | 5,76,000 | 8.80 |
| Ms. Aradhita Agarwal | 3,42,000 | 5.22 | 3,28,000 | 5.01 |

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, 2013 (Contd.)

| | | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|---|
| **2.** | **RESERVES AND SURPLUS** | | |
| | **Capital Reserve** | | |
| | As per last Financial Statements | 14,41,644 | 14,41,644 |
| | | 14,41,644 | 14,41,644 |
| | **Capital Redemption Reserve** | | |
| | As per last Financial Statements | 6,00,000 | 6,00,000 |
| | | 6,00,000 | 6,00,000 |
| | **General Reserve** | | |
| | As per last Financial Statements | 15,13,17,243 | 15,13,17,243 |
| | Add : Transferred from Profit and Loss Account | 3,50,00,000 | — |
| | Add : Deferred Tax | 85,29,815 | 85,29,815 |
| | | 19,48,47,058 | 15,98,47,058 |
| | **Profit & Loss Account** | | |
| | As per last Financial Statements | 3,53,78,918 | 2,98,28,887 |
| | Add : Profit for the year | 45,55,324 | 93,54,447 |
| | | 3,99,34,242 | 3,91,83,334 |
| | **Less : Appropriations** | | |
| | Transfer to General Reserve | 3,50,00,000 | — |
| | Proposed Dividend | — | 32,73,390 |
| | Tax on Proposed Dividend | — | 5,31,026 |
| | | 3,50,00,000 | 38,04,416 |
| | **Net Surplus** | 49,34,242 | 3,53,78,918 |
| | **Total** | 20,18,22,944 | 19,72,67,620 |
| **3.** | **LONG-TERM BORROWINGS** | | |
| | A) From Bank - Term Loan<br>(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.) | 44,39,32,726 | 48,74,48,671 |
| | B) From WBFC<br>(Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme) | 2,53,00,000 | 3,80,00,000 |
| | C) Car Loan from Banks | 6,24,178 | — |
| | D) Truck Loan from Tata Motors Finance Ltd.<br>(Secured by hypothecation of vehicles purchased under the Scheme.) | 14,66,414 | 26,52,614 |
| | **Unsecured** | | |
| | Loan from Body Corporates | 13,81,75,000 | 7,56,00,000 |
| | | 60,94,98,318 | 60,37,01,285 |

## NOTES TO BALANCE SHEET as at 31st March, 2013 (Contd.)

**Term of Repayment**

A) From Bank - Term loan

Rs. 839 lakhs (present balance Rs. 675 lakhs) payable in 10 Half Yearly instalment of Rs. 80 lakhs and one instalment of Rs. 39 lakhs starting from September, 2012 at a rate of interest of 8%.

Rs. 159 lakhs (present balance Rs. 67 lakhs) payable in 3 Half Yearly instalment of Rs. 40 lakhs and one instalment of Rs. 38.75 lakhs starting from September, 2012 at a rate of interest of 8%.

Rs. 3,785 lakhs (present balance Rs. 2,677 lakhs) payable in 4 Half Yearly instalment of Rs. 275 lakhs, 5 Half Yearly instalment of Rs. 450 lakhs each and one instalment of Rs. 435 lakhs starting from June, 2011 at a rate of interest of 8%.

Rs. 232 lakhs (present balance Rs. 158 lakhs) payable in 12 semi-annual instalment of Rs. 19.33 lakhs starting from September, 2011 at a rate of interest of 8%.

Rs. 488 lakhs (present balance Rs. 293 lakhs) payable in 12 semi-annual instalment of Rs. 44.38 lakhs starting from March, 2011 at a rate of interest of 8%.

Rs. 200 lakhs (present balance Rs. 154 lakhs) payable in 12 semi-annual instalment of Rs. 16.67 lakhs starting from first disbursement at a rate of interest of 8%.

Rs. 4,300 lakhs (present balance Rs. 417 lakhs) payable in 13 semi-annual instalment of Rs. 307 lakhs & 14th last instalment of Rs. 309 lakhs starting 12 months after COD at a rate of interest 12.5%.

B) From WBFC :

Rs. 200 lakhs (present balance Rs. 110 lakhs) payable in 9 quarterly instalments from March, 2010 of Rs. 10 lakhs and 10 quarterly instalments of Rs. 11 lakhs each from June, 2012 ending on September, 2014 at a rate of interest of 12.50%.

Rs. 200 lakhs (present balance Rs. 77 lakhs) payable in 9 quarterly instalments from March, 2010 of Rs. 10 lakhs and 10 quarterly instalments of Rs. 11 lakhs each from September, 2012 ending on December, 2014 at a rate of interest of 12.50%.

Rs. 102 lakhs (present balance Rs. 12 lakhs) payable in 9 quarterly instalments from February, 2011 of Rs. 10 lakhs and 1 quarterly instalments of Rs. 12 lakhs each from May, 2013 ending on May, 2013 at a rate of interest of 12.50%.

Rs. 98 lakhs (present balance Rs. 98 lakhs) payable in 1 quarterly instalments from August, 2013 of Rs. 10 lakhs and 8 quarterly instalments of Rs. 11 lakhs each from November, 2013 ending on August, 2015 at a rate of interest of 12.50%.

C) Car Loans from Bank - Rs. 6.94 lakhs payable in monthly instalments.

D) Truck Loan - Rs. 14,66,414 payable in 48 EMI of Rs. 1.17 lakhs from May 2010 to April, 2014.

**There is no default in repayment of loan and interest in respect of all the loans.**

| | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|
| **4. DEFERRED TAX LIABILITIES (NET)** | | |
| As per last Financial Statement | 89,80,267 | 89,80,267 |
| | 89,80,267 | 89,80,267 |

# NOTES TO BALANCE SHEET as at 31st March, 2013 (Contd.)

| | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|
| **5. SHORT TERM BORROWINGS** | | |
| Cash Credit from Bank of Baroda | 30,50,23,791 | 27,12,27,836 |
| (Secured by hypothecation of Stocks and Book Debts and personal guarantee of three Directors.) | | |
| **There is no default in repayment of loan or interest** | | |
| | 30,50,23,791 | 27,12,27,836 |
| **6. TRADE PAYABLES** | | |
| For Goods | 6,70,60,082 | 4,80,56,690 |
| For Services | 56,90,063 | 1,66,53,479 |
| | 7,27,50,145 | 6,47,10,169 |
| **7. OTHER CURRENT LIABILITIES** | | |
| Deposit from Customers | 10,33,06,596 | 10,06,22,647 |
| Duties & Taxes Payable | 79,55,678 | 3,46,137 |
| | 11,12,62,274 | 10,09,68,784 |
| **8. SHORT TERM PROVISIONS** | | |
| Bonus | 8,00,000 | 5,00,000 |
| Gratuity | 39,07,003 | 26,67,419 |
| Proposed Dividend | — | 32,73,390 |
| Tax on Proposed Dividend | — | 5,31,026 |
| Central Excise Duty | 19,00,825 | 12,34,637 |
| Provisions for Taxation | 4,62,93,610 | 4,52,21,256 |
| Provisions for FBT | 8,07,216 | 8,07,216 |
| | 5,37,08,654 | 5,42,34,944 |

## NOTES TO BALANCE SHEET as at 31st March, 2013 (Contd.)

### 9. DETAILS OF FIXED ASSETS

| DESCRIPTION | COST | | | | DEPRECIATION | | | | BALANCE | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2012 Rs. | Additions Rs. | Adjustment Rs. | As at 31.03.2013 Rs. | As at 01.04.2012 Rs. | Additions Rs. | Adjustment Rs. | As at 31.03.2013 Rs. | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
| Freehold Land | 3,65,02,036 | — | — | 3,65,02,036 | — | — | — | — | 3,65,02,036 | 3,65,02,036 |
| Leasehold Land | 1,62,328 | — | — | 1,62,328 | 1,793 | — | — | 1,793 | 1,60,535 | 1,60,535 |
| Factory Building & Compound | 5,41,23,738 | — | — | 5,41,23,738 | 92,21,076 | 17,12,742 | — | 1,09,33,818 | 4,31,89,920 | 4,49,02,662 |
| Furniture | 38,43,191 | 16,500 | — | 38,59,691 | 18,61,881 | 2,99,219 | — | 21,61,100 | 16,98,591 | 19,81,310 |
| Plant & Machinery | 81,61,76,932 | 74,94,703 | — | 82,36,71,635 | 19,23,91,935 | 3,81,87,893 | — | 23,05,79,828 | 59,30,91,807 | 62,37,84,997 |
| Motor Car | 64,16,501 | 8,88,652 | 6,68,873 | 66,36,280 | 44,19,358 | 6,50,134 | 5,04,593 | 45,64,899 | 20,71,381 | 19,97,143 |
| Electric Installation | 6,41,14,538 | 1,87,500 | — | 6,43,02,038 | 1,08,89,081 | 29,87,645 | — | 1,38,76,726 | 5,04,25,312 | 5,32,25,457 |
| Office Equipment | 17,06,901 | 6,651 | — | 17,13,552 | 9,52,632 | 1,02,489 | — | 10,55,121 | 6,58,431 | 7,54,269 |
| Truck | 62,85,195 | — | — | 62,85,195 | 27,47,301 | 8,41,230 | — | 35,88,531 | 26,96,664 | 35,37,894 |
| Cylinder | 15,68,22,172 | 19,85,500 | 94,210 | 15,87,13,462 | 12,06,72,868 | 1,08,12,489 | 92,624 | 13,13,92,733 | 2,73,20,729 | 3,61,49,304 |
| Tanker | 18,81,63,217 | 53,28,962 | — | 19,34,92,179 | 12,72,99,076 | 1,66,73,900 | — | 14,39,72,976 | 4,95,19,203 | 6,08,64,141 |
| Storage Tank | 3,32,16,367 | 1,07,68,790 | — | 4,39,85,157 | 18,75,183 | 19,91,696 | — | 38,66,879 | 4,01,18,278 | 3,13,41,184 |
| Computer | 47,00,436 | 22,260 | — | 47,22,696 | 36,45,904 | 3,57,455 | — | 40,03,359 | 7,19,337 | 10,54,532 |
| Howrah Shed | 16,22,675 | — | — | 16,22,675 | 12,96,160 | 32,652 | — | 13,28,812 | 2,93,863 | 3,26,515 |
| Howrah Flat | 1,70,817 | — | — | 1,70,817 | — | — | — | — | 1,70,817 | 1,70,817 |
| Motor Cycle | 2,13,442 | — | — | 2,13,442 | 88,446 | 16,602 | — | 1,05,048 | 1,08,394 | 1,24,996 |
| Tube well | 5,13,974 | — | — | 5,13,974 | 2,95,489 | 21,849 | — | 3,17,338 | 1,96,636 | 2,18,485 |
| Work-in-progress (Hyderabad) | 2,82,15,002 | 1,50,66,696 | — | 4,32,81,696 | — | — | — | — | 4,32,81,698 | 2,82,15,002 |
| **Total** | 1,40,29,69,462 | 4,17,66,214 | 7,63,083 | 1,44,39,72,593 | 47,76,58,183 | 7,46,87,995 | 5,97,217 | 55,17,48,961 | 89,22,23,632 | 92,53,11,279 |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 31,08,429 | 6,64,100 | — | 37,72,529 | 6,21,686 | 6,21,686 | — | 12,43,372 | 25,29,157 | 24,86,743 |
| Total as on 31.03.2013 | 1,40,60,77,891 | 4,24,30,314 | 7,63,083 | 1,44,77,45,122 | 47,82,79,869 | 7,53,09,681 | 5,97,217 | 55,29,92,333 | 89,47,52,789 | — |
| Total as on 31.03.2012 | 1,33,49,59,075 | 7,43,44,393 | 32,25,577 | 1,40,60,77,891 | 40,61,65,269 | 7,52,99,998 | 31,85,398 | 47,82,79,869 | — | 92,77,98,022 |

| | | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|---|
| **10. NON CURRENT INVESTMENTS** | | | |
| **OTHER INVESTMENTS - AT COST** | | | |
| (UNQUOTED - UNDER THE SAME MANAGEMENT) | | | |
| Nil (4,500) | Fully paid Equity Shares of Rs. 10 each in Gunjan Properties Pvt. Ltd. | — | 45,000 |
| Nil (24,000) | Fully paid Equity Shares of Rs. 10 each in Varun Tea Plantations Ltd. | — | 24,00,000 |
| Nil (100) | Fully paid Equity Shares of Rs. 100 each in Superior Tea & Allied India Pvt. Ltd. | — | 15,000 |
| | | — | 24,60,000 |

## NOTES TO BALANCE SHEET as at 31st March, 2013 (Contd.)

| | | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|---|---|---|
| 11. | **INVENTORIES** | | |
| | (As taken, Valued & certified by the Management) | | |
| | Raw Materials (At cost) | 5,97,942 | 24,51,670 |
| | Finished Goods (At lower of cost or net realisable value) | 1,53,78,847 | 1,11,41,493 |
| | Trading Goods (At cost) | 2,94,89,055 | 2,57,64,225 |
| | Shares & Securities (At lower of cost or net realisable value) | 6,26,157 | 7,74,907 |
| | Stores & Spares (At cost) | 1,17,00,580 | 1,12,40,211 |
| | | 5,77,92,581 | 5,13,72,506 |
| 12. | **TRADE RECEIVABLES** | | |
| | **Unsecured, Considered good** | | |
| | Outstanding for a period exceeding six months | 2,45,49,672 | 1,52,35,210 |
| | Others | 10,63,15,934 | 11,24,19,328 |
| | | 13,08,65,606 | 12,76,54,538 |
| 13. | **CASH AND CASH EQUIVALENTS** | | |
| | Balance with Banks : | | |
| | In Current Account | 8,99,874 | 31,20,348 |
| | In Unpaid Dividend Account | 1,10,688 | 1,25,594 |
| | In Margin Deposit Account | 7,46,79,506 | 5,39,48,152 |
| | Cash in hand | 7,08,135 | 4,59,968 |
| | | 7,63,98,203 | 5,76,54,062 |
| 14. | **SHORT TERM LOANS & ADVANCES** | | |
| | **(Unsecured, considered good)** | | |
| | Capital Advances | 1,55,07,020 | 87,62,836 |
| | Security Deposits | 2,90,98,755 | 2,56,43,208 |
| | Advance against supply of Goods and Services | 8,35,77,148 | 9,28,19,090 |
| | Prepaid Expenses | 14,58,320 | 21,01,097 |
| | Loans & Advances to Employees | 91,551 | 52,237 |
| | Insurance Claim Receivable | 7,43,242 | — |
| | Advance Income Tax & TDS | 4,80,66,439 | 4,59,22,800 |
| | Subsidy Receivable | 9,01,62,539 | 2,43,18,309 |
| | | 26,87,05,014 | 19,96,19,577 |

## NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2013

| | Year Ended 31.03.2013 Rs. | Year Ended 31.03.2012 Rs. |
|---|---|---|
| **15. REVENUE FROM OPERATIONS** | | |
| Sale of Products | 65,74,66,955 | 61,77,56,414 |
| Sale of Traded Goods | 14,10,53,743 | 10,32,97,158 |
| | 79,85,20,698 | 72,10,53,572 |
| Other Operating Revenues | 5,21,18,568 | 4,47,56,257 |
| Total Revenue | 85,06,39,266 | 76,58,09,829 |
| Less : Excise Duty | 5,68,40,473 | 5,05,57,188 |
| | 79,37,98,793 | 71,52,52,641 |
| **16. OTHER INCOME** | | |
| **Interest Income** | | |
| On Banks Deposits | 57,46,109 | 34,63,914 |
| On Others | 11,62,972 | 5,53,077 |
| | 69,09,081 | 40,16,991 |
| Net gain on sale of Investments | 1,20,000 | 39,20,000 |
| Profit on sale of Fixed Assets (Net) | 2,65,779 | 12,86,684 |
| Dividend | 17,045 | 241 |
| Excess Liabilities and Unclaimed Balances written back | — | 1,32,88,519 |
| Sundry Receipts | 55,20,736 | 42,56,404 |
| Insurance Claim Received | 10,31,355 | 4,39,300 |
| | 68,34,915 | 1,92,71,148 |
| | 1,38,63,996 | 2,72,08,139 |
| **17. COST OF MATERIAL CONSUMED** | | |
| Calcium Carbide | 1,00,15,593 | 1,31,97,244 |
| Gases | 3,65,57,344 | 2,77,91,662 |
| | 4,65,72,937 | 4,09,88,906 |
| **18. (INCREASE) / DECREASE IN INVENTORIES** | | |
| **Inventories at the beginning of the year** | | |
| Finished Goods | 1,11,41,493 | 2,26,49,031 |
| Trading Goods | 2,57,64,225 | 2,38,19,145 |
| Shares | 7,74,907 | 7,74,907 |
| | 3,76,80,625 | 4,72,43,083 |
| **Inventories at the end of the year** | | |
| Finished Goods | 1,53,78,847 | 1,11,41,493 |
| Trading Goods | 2,94,89,055 | 2,57,64,225 |
| Shares | 6,26,157 | 7,74,907 |
| | 4,54,94,059 | 3,76,80,625 |
| | (78,13,434) | 95,62,458 |

## NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2013 (Contd.)

| | Year Ended 31.03.2013 Rs. | Year Ended 31.03.2012 Rs. |
|---|---|---|
| **19. EMPLOYEE BENEFITS EXPENSES** | | |
| Salaries, Bonus & Wages | 3,74,94,573 | 3,39,24,728 |
| Contribution to Provident & Other Funds | 4,28,889 | 5,11,774 |
| Director Remuneration | 56,40,000 | 57,60,000 |
| Staff Welfare Expenses | 5,87,875 | 9,86,022 |
| | 4,41,51,337 | 4,11,82,524 |
| **20. FINANCE COST** | | |
| **Interest Expenses** | | |
| On Term Loans | 5,21,01,828 | 4,93,72,639 |
| On Cash Credit | 2,91,03,842 | 2,48,36,312 |
| On Unsecured Loan | 1,85,00,711 | 1,17,92,636 |
| On Others (Statutory) | 2,77,901 | 59,61,525 |
| On Truck Loan | 4,01,405 | 6,87,308 |
| | 10,03,85,687 | 9,26,50,420 |
| **21. OTHER EXPENSES** | | |
| Consumable Stores - Consumed | 30,45,108 | 44,22,179 |
| Excise Duty | 19,00,825 | 12,34,637 |
| Power consumed (Rs. 36,67,24,511 less subsidy Rs. 6,58,44,230) | 30,08,80,281 | 29,96,27,133 |
| Repair Building | 1,77,515 | 1,19,023 |
| Repair Machinery | 60,75,573 | 1,05,34,490 |
| Repiar Others | 50,85,329 | 28,52,111 |
| Selling Expenses | 84,79,901 | 76,87,574 |
| Rent | 37,680 | 4,62,560 |
| Rates & Taxes | 28,59,337 | 14,01,586 |
| Insurance | 22,18,312 | 26,44,674 |
| Travelling & Conveyance | 46,34,415 | 42,93,230 |
| Auditor's Remuneration : | | |
| As Statutory Audit Fees | 75,000 | 84,270 |
| As Tax Audit Fees | 13,483 | 13,483 |
| Others | 28,090 | 1,979 |
| Bank Charges | 72,30,947 | 27,67,688 |
| Write off of computer softwares | — | — |
| Directors Sitting Fees | 78,000 | 54,000 |
| Other Misc. Expenses | 4,85,51,749 | 3,57,15,034 |
| | 39,13,71,545 | 37,39,15,651 |

## NOTES TO ACCOUNTS as at and for the year ended 31st March, 2013

### 22. SIGNIFICANT ACCOUNTING POLICIES

a) **Accounting Convention**

The accompanying financial statements had been prepared in accordance with historical cost convention and as a going concern.

b) **Fixed Assets**

Fixed Assets are stated at cost less depreciation.

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

**In respect of Uluberia & Visakhapatnam Plant**

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

d) **Investments**

Investments are stated at cost.

e) **Inventories**

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

f) **Foreign Exchange Transaction**

Transactions in foreign currency are accounted for at the equivalent rupee value on the date of credit by the bank.

g) **Retirement Benefit**

The accrued liability for gratuity payable to employees has been calculated on the basis of an actuarial valuation made by LIC and the amount is deposited under the LIC Group Gratuity Scheme. In respect of Provident Fund, the contribution is paid to the fund administered by the Government and is charged to revenue.

h) **Borrowing Cost**

Interest and other cost in connection with the borrowing of the fund to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized up to the 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 recognized on despatch of goods to customer which corresponds to transfer of significant risks and rewards of ownership.

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 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.

## **NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2013 (Contd.)

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

| | | 2012 - 2013 | | 2011 - 2012 | |
|---|---|---|---|---|---|
| | | Quantity | Value (Rs.) | Quantity | Value (Rs.) |
| Indigenous | (Cu.m.) | 16,42,681 | 2,85,93,229 | 24,77,644 | 2,20,16,600 |
| | (Kg.) | 14,19,805 | 79,64,115 | 12,74,285 | 57,75,062 |
| Imported | (Kg.) | 2,56,300 | 1,00,15,593 | 3,42,500 | 1,31,97,244 |

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

| | Value (Rs.) | Percentage | Value (Rs.) | Percentage |
|---|---|---|---|---|
| Indigenous | 81,35,127 | 89.19% | 78,84,832 | 68.71% |
| Imported | 9,85,554 | 10.81% | 35,90,800 | 31.29% |

| | 2012-2013<br>Rs. | 2011-2012<br>Rs. |
|---|---|---|
| 25. **Value of Import on CIF basis :** | | |
| a) Capital Goods | — | 26,64,559 |
| b) Trading Goods | 10,04,81,178 | 8,43,34,487 |
| c) Spares | 9,85,554 | 29,88,484 |
| d) Raw Material | 81,61,865 | 1,20,04,046 |
| 26. **Earning in Foreign Currency** | | |
| Revenue from Export on F.O.B. basis | 1,56,60,974 | 32,21,549 |
| 27. **Expenditure in Foreign Currency** | | |
| Travelling Expenses | 7,58,060 | 1,31,192 |
| Trading Goods | 83,84,217 | 8,43,34,487 |
| Raw Materials | 1,20,04,046 | 1,20,04,046 |
| Spares | — | 29,88,484 |
| Advance for Capital Goods | 1,34,84,664 | 26,64,559 |
| Term Loan Repayment | 54,63,507 | — |
| 28. Dividend remittance to Non-resident shareholders | Nil | Nil |

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

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

| 31. **CONTINGENT LIABILITIES NOT PROVIDED FOR** | 2012-2013<br>Rs. | 2011-2012<br>Rs. |
|---|---|---|
| Central Excise Duty & Service Tax | 4,41,92,475 | — |
| *West Bengal & Andhra Pradesh VAT & CST* | *3,73,87,937* | — |
| Income Tax | 1,93,510 | — |

32. **EARNING PER SHARE**

| | | 2012-2013 Rs. | 2011-2012 Rs. |
|---|---|---|---|
| (i) | Weighted average number of Equity Shares of Rs. 10 each outstanding during the period | 65,46,780 | 65,46,780 |
| (ii) | Profit after Tax attributable to Equity Shareholders (Rs.) | 45,55,324 | 93,54,447 |
| (iii) | Basic Earnings per Share (in Rs.) [(ii)/(i)] | 0.70 | 1.43 |

33. In accordance with Accounting Standards 22 viz. "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, for the current year, in view of investment in the new Unit, viz. Vizag Plant, resulting in an abnormal disproportionate difference in depreciation, the extent of deferred tax liability has not been recognised in these accounts.

34. **Related Party disclosure :**
Information in accordance with the requirement of Accounting Standard 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India.

a) List of Related Parties :

Superior Tea & Allied Industries Pvt. Ltd.
Gunjan Suppliers Pvt. Ltd.
Varun Tea Plantations Ltd.
Ellenbarrie Cryogenics Ltd.

b) Key Management Personnel :

Shri Shanti Prasad Agarwala - Managing Director
Shri Padam Kumar Agarwala - Joint Managing Director
Shri Varun Agarwal - Director

c) **Transactions with Related Parties :**

| Nature of Transaction | Related Party | Key Management Personnel (Rs. in Lakhs) |
|---|---|---|
| Managerial Remuneration | | 56,40,000 (57,60,000) |
| Outstanding Balances as on 31.03.2013 Receivables | Nil (Nil) | |

Figure in brackets relates to corresponding previous year.

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

a) The Company has two primary business segments :

(i) Gases and related products

(ii) Sheets

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

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

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

## NOTES TO ACCOUNTS as at and for the year ended 31st March, 2013 (Contd.)

| Segment Reporting | Year Ended 31.03.2013 Rs. | Year Ended 31.03.2012 Rs. |
|---|---|---|
| **REVENUE EXTERNAL (NET OF EXCISE DUTY)** | | |
| Gases and related products | 63,14,99,558 | 58,06,63,941 |
| Sheets | 10,98,58,543 | 8,98,32,443 |
| **TOTAL** | 74,13,58,101 | 67,04,96,384 |
| **DEPRECIATION** | | |
| Gases and related products | 7,52,77,029 | 7,52,63,719 |
| Sheets | 32,652 | 36,279 |
| **TOTAL** | 7,53,09,681 | 7,52,99,998 |
| **PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS** | | |
| Gases and related products | 46,71,634 | 1,04,78,613 |
| Sheets | 9,56,044 | 12,15,639 |
| **TOTAL** | 56,27,678 | 1,16,94,252 |
| **NET FIXED ASSETS** | | |
| Gases and related products | 89,44,58,926 | 92,63,12,980 |
| Sheets | 2,93,863 | 14,85,042 |
| **TOTAL** | 89,47,52,789 | 92,77,98,022 |
| **CURRENT ASSETS** | | |
| Gases and related products | 51,94,33,641 | 41,18,88,746 |
| Sheets | 1,35,84,521 | 2,44,11,937 |
| **TOTAL** | 53,30,18,162 | 43,63,00,683 |
| **CURRENT LIABILITIES** | | |
| Gases and related products | 49,26,94,364 | 46,27,71,657 |
| Sheets | 5,19,68,356 | 2,83,70,076 |
| **TOTAL** | 54,46,62,720 | 49,11,41,733 |
| **CAPITAL EXPENDITURE** | | |
| Gases and related products | 4,24,30,314 | 7,43,44,393 |
| Sheets | — | — |
| **TOTAL** | 4,24,30,314 | 7,43,44,393 |

36. Previous year's figures are re-grouped and re-arranged, wherever necessary.

Signature to Schedules 1 to 36

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 : 5th day of September, 2013

SHANTI PRASAD AGARWALA
*Managing Director*

PADAM KUMAR AGARWALA
*Joint Managing Director*

On behalf of the Board of Directors

VARUN AGARWAL
*Executive Director*

MANAS KUMAR DUTTA
*Director*

A. K. BANDYOPADHYAY
*Secretary*

## **CASH FLOW STATEMENT** for the year ended 31st March, 2013

| | | Year Ended 31.03.2013 Rs. | Year Ended 31.03.2012 Rs. |
|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Net Profit before Tax | 56,27,678 | 1,16,94,252 |
| | **Adjustments For :** | | |
| | - Depreciation | 7,53,09,681 | 7,52,99,998 |
| | - Interest Expenses | 10,03,85,687 | 9,26,50,420 |
| | - Interest Income | (69,09,081) | (40,16,991) |
| | - Sundry Balance w/off | — | (1,32,88,519) |
| | - Loss / (Profit) on Sale of Fixed Assets | (2,65,779) | (12,86,684) |
| | - Dividend | (17,045) | (241) |
| | **Operating profit before working capital changes** | 17,41,31,141 | 16,10,52,235 |
| | Movements in working capital : | | |
| | - Increase/(decrease) in trade payables | 80,39,976 | 2,02,17,004 |
| | - Increase/(decrease) in short-term borrowings | 3,37,95,955 | 7,39,03,989 |
| | - Increase/(decrease) in other current liabilities | 1,02,93,490 | 1,28,86,822 |
| | - Increase/(decrease) in short term provisions | (5,26,290) | 24,79,421 |
| | - (Increase)/decrease in trade receivables | (32,09,460) | 1,53,54,010 |
| | - (Increase)/decrease in inventories | (64,20,075) | 69,08,592 |
| | - (Increase)/decrease in short-term loans & advances | (6,90,87,927) | (8,88,92,088) |
| | CASH GENERATED FROM OPERATIONS | 14,70,16,810 | 20,39,09,985 |
| | - Direct Taxes Paid (Net) | (14,02,910) | (92,45,370) |
| | Net Cash Flow from Operating Activities | 14,56,13,900 | 19,46,64,615 |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | - Purchases of Fixed Assets | (2,73,63,618) | (5,46,76,399) |
| | - Increase in CWIP | (1,50,66,696) | (1,96,67,994) |
| | - Sale of Fixed Assets | 7,63,083 | 13,26,863 |
| | - Interest Received | 69,09,081 | 40,16,991 |
| | - Sale of Non current Investment | 24,60,000 | 58,80,000 |
| | - Dividend Received | 17,045 | 241 |
| | Net Cash used in Investing Activities | (3,22,81,105) | (6,31,20,298) |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | - Proceeds from Long term borrowings | 18,04,42,683 | 1,66,92,869 |
| | - Repayment of Long term borrowings | (17,46,45,650) | (3,30,09,465) |
| | - Payment of Gratuity & Leave Encashment | — | — |
| | - Payment of Dividend | — | — |
| | - Payment of Dividend Distribution Tax | — | — |
| | - Payment of Interest | (10,03,85,687) | (9,26,50,420) |
| | Net Cash from / (used) in Financing Activities | (9,45,88,654) | (10,89,67,016) |
| | Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C) | 1,87,44,141 | 2,25,77,301 |
| | Opening Cash and Cash Equivalents | 5,76,54,062 | 3,50,76,761 |
| | Closing Cash and Cash Equivalents | 7,63,98,203 | 5,76,54,062 |
| | | 1,87,44,141 | 2,25,77,301 |

VARUN AGARWAL
*Executive Director*

SHANTI PRASAD AGARWALA
*Managing Director*

MANAS KUMAR DUTTA
*Director*

PADAM KUMAR AGARWALA
*Joint Managing Director*

A. K. BANDYOPADHYAY
*Secretary*

Dated : 5th day of September, 2013

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 : 5th day of September, 2013