VIZAG PLANT

ELLENBARRIE INDUSTRIAL GASES LTD

DIRECTORS

Shri Shanti Prasad Agarwala, *Managing Director*
Shri Padam Kumar Agarwala; *Joint Managing Direct*
Shri Indrajit Mookerjee, *Joint Managing Director*
Shri Varun Agarwal, *Executive Director*
Shri Ajit Khandelwal
Shri Manas Kumar Dutta
Shri Rajesh Jhunjhunwala
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 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 Sixth Annual General Meeting of the Company will be held at THE CONCLAVE (Rose Room), 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 on Thursday the 30th September, 2010 at 4.00 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, 2010 and also the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri Manas Kumar Dutta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajesh Jhunjhunwala 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.
5. To declare dividend on Equity Shares for the year ended 31st March, 2010.

Registered Office :	By Order of the Board
3A, Ripon Street	
Kolkata - 700 016	S. P. AGARWALA
Dated : 4th day of September, 2010	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 23rd September, 2010 to 30th September, 2010 (both days inclusive).

c. The Dividend for the year ended 31st March, 2010 if sanctioned at the meeting will be payable to those Members whose names appear in the Company's Register of Members as on 22nd September, 2010.

d. 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.

NOTICE (Contd.)

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 (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.

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

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

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

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

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 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 2002 - 2003 which remains unclaimed is due to be transferred to the said account after 30th September, 2010 and for further years commencing from 2003 - 2004 onwards on their respective due dates.

Members who have not claimed / encashed their final Dividend so far for the financial year ended 31st March, 2004 or any subsequent financial year(s) may approach the Company for obtaining payments thereof before expiry of the stipulated 7 years period.

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.

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 sends certified true copy of the Board Resolution / Power of Attorney authorising the representative to attend and Vote at the Annual General Meeting.

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.

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 -700001.

NOTICE (Contd.)

o. The Dividend when declared will be paid to the members whose names appe of Members on 22nd September, 2010 and the beneficial owners as furn CDSL.

p. Pursuant to Clause 49(IV) (G)(i) of the listing Agreement with the Stock Excha of the Directors seeking reappointment at the forthcoming Annual General Me as under :

q. The securities and Exchange Board of India (SEBI) has mandated the submis Account Number (PAN) by every participant in securities market, Members electronic form are, therefore requested to submit the PAN to their depos Members holding shares in physical form can submit their PAN details to th

Name of Director	Mr. Manas Kumar Dutta	Mr. Raje
Date of Birth	1st September, 1933	23rd Ju
Date of Appointment	28-09-2007	01-10-2
Expertise in specific functional area	Accounting and related Financial Management	Adminis Manage
Qualification	M.Com, FCA	B.Com
Shareholding in the Company	NIL	NIL
List of other Public Limited Companies in which Directorship held	1) Krico Traders Ltd. 2) Sutodiya Investment & Trading Co. Ltd. 3) Comfort Share Trading Ltd.	1) Navr 2) Eller Esta
Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	—	—
Chairman/Member of the Committees of the Board of Directors of the Company	Chairman of the Audit Committee, Remuneration Committee and Shareholders Grievance redressal Committee	Membe Commi Remun and Sh Grievar Commi

DIRECTORS' REPORT

DEAR SHAREHOLDERS

Your Directors are pleased to present the Thirty Sixth Annual Report on the operations of the Company together with audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

Amount (Rs. in lacs)

	Year Ended 31st March, 2010	Year Ended 31st March, 2009
Total Revenue inclusive of Excise Duty	5,351.25	5,103.13
Turnover inclusive of Excise Duty	4,973.25	4,958.81
Other Income	378.00	144.32
Profit before Taxation	200.81	524.82
Provision for Taxation	35.80	88.50
Deferred Tax	—	13.44
Fringe Benefit Tax	—	4.85
Balance brought forward from previous year	14.61	73.17
Profit available for appropriation	179.62	491.20
APPROPRIATION		
Dividend	32.73	65.47
Dividend Tax	5.57	11.13
Transfer to General Reserve	—	400.00
Balance carried forward	141.32	14.61

PERFORMANCE

Your Company has registered a Sales revenue of Rs. 4,726.67 lakh (net of excise) which is 3% higher than the previous year. The state of the art Air Separation Plant is located in JN Pharma City, near Visakhapatnam has since been successfully commissioned. Higher capacity utilization of our plant in Uluberia along with new production from Visakhapatnam plant resulted in an overall volumetric sales growth of 24% over same period last year. However, your company would have registered higher sales volume but for delay in commissioning and longer time taken in stabilization of the new plant in Visakhapatnam. Primarily delay in supply of some key equipments by overseas suppliers and malfunctioning of some these units had caused delay in timely completion of the plant. There was also inordinate delay in obtaining power connection from Andhra Pradesh Power Transmission Company. These unexpected problems had caused the operating cost to go up affecting profitability of the company. We are happy to state that all the issues with the plant have since rectified and the same is now producing at designed capacity, the benefits of which would get reflected in the current year.

Goods manufactured during the year 2009 - 2010 included the following :-

	2009-10 Cu.m.	2008-09 Cu.m.
Oxygen	2,54,17,532	2,20,21,258
Nitrogen	1,46,40,006	1,00,61,674
Acetylene	90,749	72,963
Argon	1,54,403	3,68,697
Medical Oxygen	1,98,150	1,39,249
Carbon-di-Oxide	4,49,904	3,24,574
Gas Mixtures	43,022	13,123

DIRECTORS' REPORT (Contd.)

STRATEGIC INITIATIVES :

The Company has taken some concrete steps for growth and enhancing competitiveness. Besides higher operating efficiency of our plants, the company has bagged a few large orders which would improve capacity loading of Visakhapatnam plant and phenomenal increase of volumetric sales.

With a view to achieving sustainable development and committed to the environment care, your company has embarked on a special project for optimizing on energy conservation and saving overall Carbon emission. The operations of the company have also received accreditation under International Quality Management system.

Your Company has also identified to make forays into the areas of Healthcare where our products and services have found a synergy. The other new business areas are in manufacture and sale of Carbon-di-Oxide Dry Ice and specialty Gases. These initiatives are expected to show its result in terms of higher profitability and earning per share in coming years.

Your Company has also taken many Human Resources Development related initiatives to improve competency of the manpower.

DIVIDEND

The Directors have recommended dividend 5% on Equity Shares of the Company for the year ended 31st March, 2010. The total outgo including Dividend Tax would be Rs. 38.30 lakhs (Last year Rs. 76.60 lakhs)

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, 2010.
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

In accordance with provisions of Companies Act, 1956 read with Articles of Association of your Company, Shri Manas Kumar Dutta and Shri Rajesh Jhunjhunwala retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT (Contd.)

The brief resume / details relating to Shri Manas Kumar Dutta and Shri Rajesh Jhunjhunwala are furnished in the notice of the ensuing Annual General Meeting.

AUDITORS AND AUDITORS REPORT

The Auditors M/s. A. K. Kumar & Co., Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

As regards Auditor's comment on non-compliance of AS-15, present accrued liability for future payment of gratuity has been actuarially ascertained as Rs. 27,31,788 which has been accounted for but not yet funded. Due process for implementation of AS-15 will be started shortly.

In case of non-compliance of AS-22, relating to Deferred Tax arising out of timing difference between Accounting Income and Taxable Income, incremental deferred tax liability has been ascertained as Rs. 4 crores approximately. Nevertheless non provision of deferred tax will not result in company's cash outflow.

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

a) The Company has been able to improve the power factor by installing capacitor at Uluberia plant. With the closure of Oxygen Plant at Kalyani and after modification at Uluberia Plant the power consumption per Cu.m. of liquid production stands reduced significantly.

b) Energy conservation is an on-going process and there is a continuous effort to create awareness and also through Production Planning, Inventory Management etc.

c) Foreign Exchange Earning : Rs. 17,46,084 on FOB Basis.

d) Foreign Exchange Expenditure : Rs. 3,66,03,066.

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, 2010 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

The Board of Directors deeply acknowledge the dedication and commitment of employees at all levels and thank the Customers, Shareholders, Investors, Government Authorities, Financial Institutions and Bank for their continued co-operation and support to the Company.

On behalf of the Board

Kolkata - 700 016

Dated : 4th day of September, 2010

S. P. AGARWALA
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 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

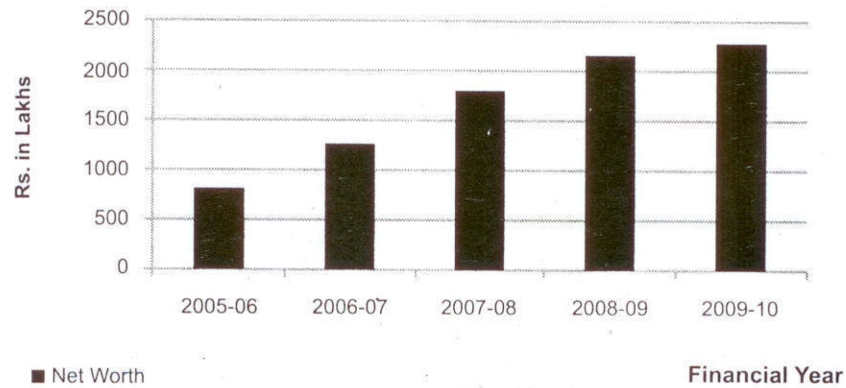
(iii) There are no instances of significant fraud of which we have become aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal Control System, if any.

Kolkata - 700 016
Dated : 4th day of September, 2010

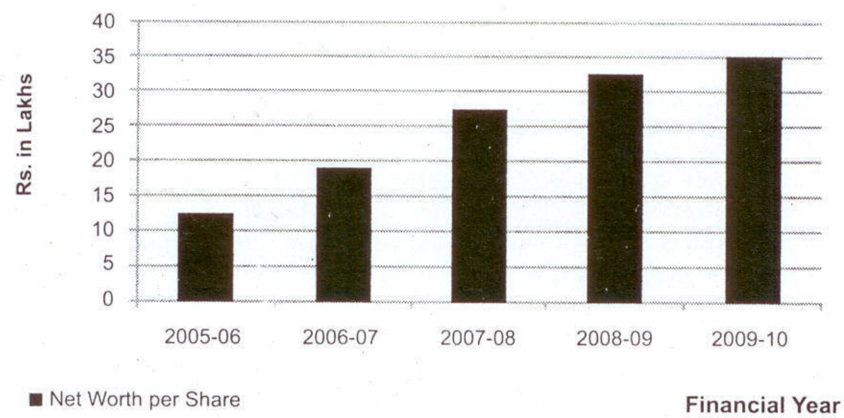
S. P. AGARWALA
Managing Director

T. GHOSH
Chief Financial Officer

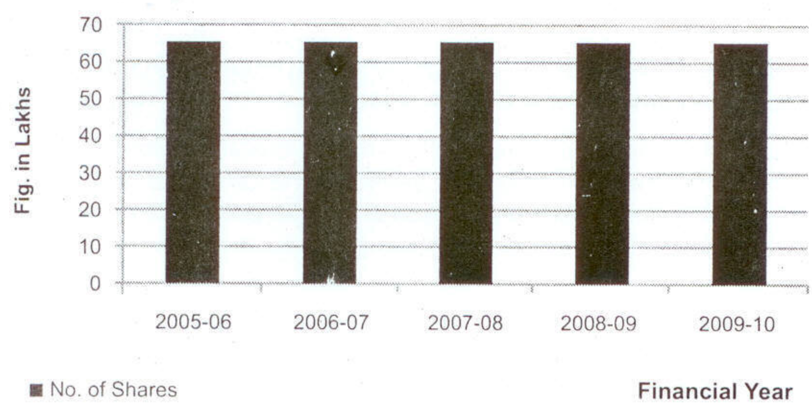
Net Worth



Net Worth per Share



No. of Shares



ANNEXURE - 'B' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT OUTLOOK

Industrial and GDP growth rate of India ranks one of the highest in the world. Your Directors feel that the trend would continue in the coming years. Industrial Gases industry would play very major roles in the growth of the country's economy in terms of improving productivity of process or savings of specific energy consumption in the core sector. The segments like production of steel, petrochemicals, oil exploration, drugs and pharmaceuticals, cold chains, healthcare etc. where industrial gases find major applications, are likely to show robust growth. Company's plants are expected to get fully loaded by this year.

It is expected that in spite of competitors adding on more capacity, the supply demand equation would remain healthy in most part of the countries fuelled by higher industrial growth.

Your company has made forays into the areas of dedicated Healthcare services, specialty gases and Dry Ice business in the coming year. The Company has also been actively negotiating with users for capacity expansion by installing new plants in fresh locations.

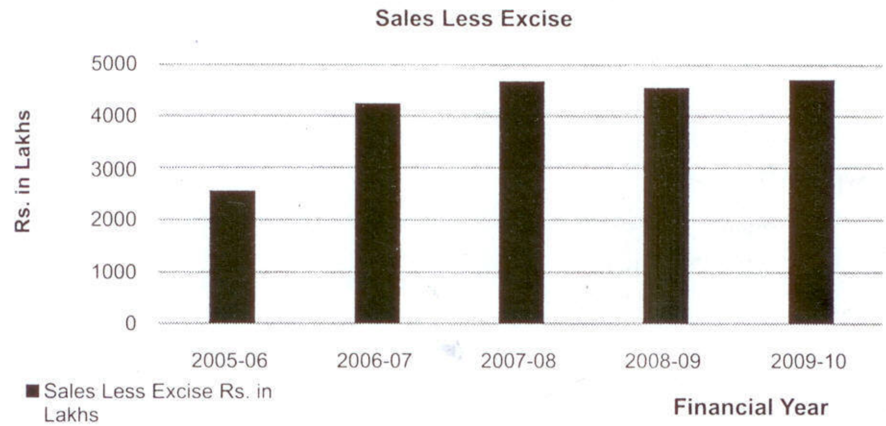
OPPORTUNITIES AND THREATS

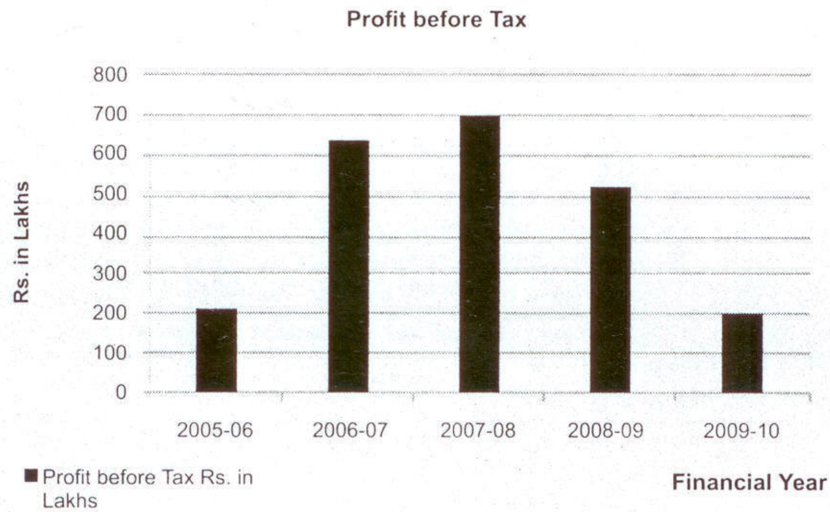
Modernisations and expansion programme of existing of Steel Plants as well as establishment of new Plants will create market opportunities for setting up on site plants. It is also expected that demand for Medical Oxygen will increase by 25% (4,50,000 Cu.m. to 5,60,000 Cu.m.per month)

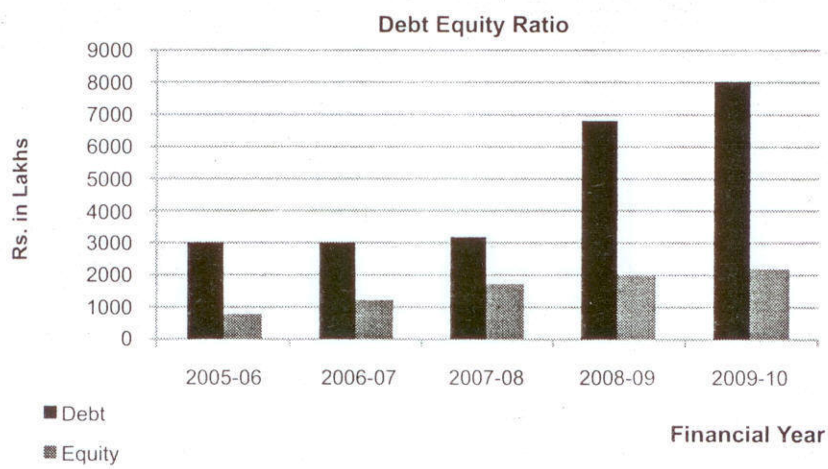
However volume growth in the current year will be dependent on Power availability, Cylinder availability and Plant Performance.

PRODUCTWISE PERFORMANCE

		2009-10 Cu.m.	2008-09 Cu.m.
Oxygen	Production	2,54,17,532	2,20,21,258
	Sales	2,53,79,246	2,19,38,252
Nitrogen	Production	1,46,40,006	1,00,61,674
	Sales	1,46,08,880	1,00,61,070
Argon	Production	1,54,403	3,68,697
	Sales	1,51,740	3,68,083
Dissolved Acetylene	Production	90,749	72,963
	Sales	90,452	74,685
Medical Oxygen	Production	1,98,150	1,39,249
	Sales	1,98,151	1,39,564
Carbon-di-Oxide	Production	4,49,904	3,24,574
	Sales	4,06,332	3,24,814
Gas Mixtures	Production	43,022	13,123
	Sales	42,498	13,093


Sales Less Excise
5000
4000
3000
2000
1000
0
Rs. in Lakhs
2005-06
2006-07
2007-08
2008-09
2009-10
Sales Less Excise Rs. in Lakhs
Financial Year


Profit before Tax
800
700
600
500
400
300
200
100
0
Rs. in Lakhs
2005-06
2006-07
2007-08
2008-09
2009-10
Profit before Tax Rs. in Lakhs
Financial Year


Debt Equity Ratio
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
Rs. in Lakhs
2005-06
2006-07
2007-08
2008-09
2009-10
Debt
Equity
Financial Year

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Aggregate production of all class of goods in terms of Cu.m. during the year 2009-2010 was 4,10,05,194 Cu.m. as compared to 3,30,01,538 Cu.m. in the year 2008-2009 thereby representing an increase of 24.21% approximately.

Aggregate sales of all class of goods in terms of Cu.m. during the year 2009-2010 was 4,08,88,726 Cu.m. as compared to 3,29,19,561 Cu.m. in the year 2008-2009 thereby representing an increase of 24.21% approximately.

RISK AND CONCERNS

Apart from normal risks applicable to an Industrial undertaking, the Company does not foresee any serious area of concern.

INTERNAL CONTROL SYSTEM

The Company has proper and adequate systems of Internal Control.

FINANCIAL PERFORMANCE

The details of financial performance of the Company are appearing in the Balance Sheet and the Profit and Loss Account for the year.

HUMAN RESOURCES

During the year employer / employee relationships remained coordial. With regard to the implementation of retirement benefits of employees, discussions are in progress.

DISCLAIMER

Certain statement in this report relating to Company's objectives or expectations may be forward looking statements within the meaning of applicable laws. Actual results could however differ materially from those expressed or implied.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been following the principles of Corporate Governance over the years by placing emphasis on transparency, accountability and integrity so as to enhance value of all Stakeholders namely employees, Shareholders, customers and creditors.

Your Company is tirelessly striving to achieve heights of excellence by adhering to best governance and disclosure policy as envisaged in terms of Clause 49 of the listing Agreement with the Stock exchanges.

BOARD OF DIRECTORS

Your Company's Board comprises of 4 Non-Executive Directors. The Chairman of the Board is an Executive Director. Details of the Board of Directors are given below :

Sl. No.	Name of the Director	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	15	06	No
2.	Shri Padam Kumar Agarwala	Joint Managing Director	13	05	Yes
3.	Shri Indrajit Mookerjee	Joint Managing Director	12	—	No
4.	Shri Varun Agarwal	Executive Director	14	—	Yes
5.	Shri Ajit Khandelwal	Non-Executive & Independent	10	06	No
6.	Shri Manas Kumar Dutta	Non-Executive & Independent	10	03	Yes
7.	Shri Sovan Kumar Dutta	Nominee Director & Independent	01	—	No
8.	Shri Rajesh Jhunjhunwala	Non-Executive & Independent	07	—	Yes

* Excluding directorship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

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) Terms of reference :

The terms of reference of the Audit Committee of the Company include the Powers as referred to in Sub paragraph (C) of 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 Exchanges.

REPORT ON CORPORATE GOVERNANCE (Contd.)

b) Composition of the Audit Committee :

The Audit Committee was constituted by the Board at the Meeting held on 31st July, 2009. As on 31-03-2010 the composition of the Audit Committee was as under :

i) Shri Manas Kumar Dutta (Chairman)
ii) Shri Shanti Prasad Agarwala (Member)
iii) Shri Rajesh Jhunjhunwala (Member)

Except Shri Shanti Prasad Agarwala, all other Directors are non executive and Independent. The Company Secretary acts as Secretary to the Audit Committee. There were 3 Meetings of the Audit Committee held during the year on 1st September, 2009, 30th October, 2009 and 29th January, 2010.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 30th September, 2009.

REMUNERATION COMMITTEE

The Remuneration Committee comprised of three Directors namely (a) Shri Manas Kumar Dutta (b) Shri Ajit Khandelwal (c) Shri Rajesh Jhunjhunwala. Shri Manas Kumar Dutta was the Chairman of the Committee. During the period under review, there was one Meeting on 10th February, 2010 which was attended by all the members of the Committee.

The role of the Remuneration Committee primarily 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, 2010 are given below :

Name of 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	14,40,000	—	14,40,000
Shri Varun Agarwal	14,40,000	—	14,40,000
	57,60,000		57,60,000

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

Name of Directors	Sitting Fees (Rs.)
Shri Manas Kumar Dutta	20,000
Shri Ajit Khandelwal	20,000
Shri Rajesh Jhunjhunwala	14,000
Shri Sovan Kumar Dutta	2,000

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 Rajesh Jhunjhunwala (c) Shri Padam Kumar Agarwala. Shri Manas Kumar Dutta was the Chairman of the Committee. During the period under review no complaints were received from investors. As on 31st March, 2010 there was no pending investor complaints.

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. 20 of Schedule 19 of the Annual audited Accounts as on 31st March, 2010. 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, 2010
Venue	:	THE CONCLAVE (Rose Room), 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017
Financial Year	:	2009 - 2010
Book Closure	:	From 23rd September, 2010 to 30th September, 2010
Dividend payment date	:	Within thirty days from the date of declaration
ISIN	:	INE 236 E 01014
Listing on Stock Exchange	:	The Shares of the Company are listed on The Calcutta Stock Exchange. Trading on the Bombay Stock Exchange permitted with effect from 03.07.2008.

ADDRESS FOR CORRESPONDENCE

Registered Office	:	ELLENBARRIE INDUSTRIAL GASES LTD. 3A, Ripon Street, Kolkata - 700 016
Registrar and Share Transfer Agent	:	ABS Consultant Pvt. Ltd. Stephen House, 6th Floor, Room No. 99 4, B.B.D. Bag (East) Kolkata - 700 001
Plant Locations	:	Kalyani Works Block 'D' Plot No. - 25, Kalyani Industrial Estate P.O. : Kalyani, District : Nadia (W.B.) Uluberia Works NH-6, Bombay Road, P.O. Uluberia Dist. Howrah (W.B.) Parwada Works Plot No. 57A, J.N. Pharmacity, Parwada Visakhapatnam, Andhra Pradesh

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
2008 - 2009	30-09-2009 03.00 P.M.	3A, RIPON STREET, KOLKATA 700 016
2007 - 2008	30-09-2008 11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016
2006 - 2007	29-09-2007 11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016

II) EXTRAORDINARY GENERAL MEETING :

Financial Year	Date and Time	Venue
2008 - 2009	23-12-2008 11.15 A.M.	3A, RIPON STREET, KOLKATA 700 016
2007 - 2008	18-04-2007 11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016
	26-02-2008 11.00 A.M.	3A, RIPON STREET, KOLKATA 700 016
2006 - 2007	28-02-2007 03.00 P.M.	3A, RIPON STREET, KOLKATA 700 016

SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2009 to 31-03-2010, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2009 - March, 2010. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008.

Month	Bombay Stock Exchange		Volume
	High (Rs.)	Low (Rs.)	No. of Shares
April	131	131	15
May	158	138	16
June	204	166	171
July	—	—	—
August	200	200	10
September	250	210	642
October	255	239	91
November	347	260	104
December	508	343	1243
January	498	400	705
February	464	387	393
March	500	430	92

REPORT ON CORPORATE GOVERNANCE (Contd.)

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	Value of Shares	% of Shareholding
1-500	120	71.43	9,796	97,960	0.15
501-1,000	7	4.16	6,018	60,180	0.09
1,001-2,000	6	3.57	10,800	1,08,000	0.16
2,001-3,000	—	—	—	—	—
3,001-4,000	—	—	—	—	—
4,001-5,000	1	0.60	5,000	50,000	0.08
5,001-10,000	4	2.38	27,381	2,73,810	0.42
10,001-50,000	7	4.17	1,58,670	15,86,700	2.42
50,001-1,00,000	8	4.76	5,15,200	51,52,000	7.88
1,00,001-and above	15	8.93	58,13,915	5,81,39,150	88.80
TOTAL	**168**	**100.00**	**65,46,780**	**6,54,67,800**	**100.00**

STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTER HOLDING			
Individual / HUF	04	27,91,080	42.63
Bodies Corporate	—	—	—
Total No. of Promoter Holding	**04**	**27,91,080**	**42.63**
NON PROMOTER HOLDING			
Institution	—	—	—
Mutual Fund / UTI	—	—	—
Financial Institution/Bank	—	—	—
NON-INSTITUTION			
Bodies Corporate	24	12,74,735	19.47
Indian Public	139	24,40,465	37.28
NRI / OCB / Foreign National	—	—	—
Central Govt. / State Govt.	01	40,500	0.62
Total No. of Non promoter Holding	**164**	**37,55,700**	**57.37**
Grand Total	**168**	**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. 32% of Equity Shares are held in dematerialised form.

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.

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 year financial year ended 31st March, 2010.

On behalf of the Board
S. P. AGARWALA
Chairman

Kolkata
Dated : 4th day of September, 2010

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF
ELLENBARRIE INDUSTRIAL GASES LTD.

I have examined the compliance of conditions of Corporate Governance by Ellenbarrie Industrial Gases Limited, for the year ended 31st March, 2010, as stipulated in Clause 49 of the 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
(Regn. No. 308013E)
ANJAN KUMAR
Proprietor
(Regn. No. 013166)

9/15, Fern Road
Kolkata - 700 019
Dated : 4th day of September, 2010

AUDITORS' REPORT

TO THE MEMBERS

I have audited the attached Balance Sheet of ELLENBARRIE INDUSTRIAL GASES LIMITED as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

I report that :

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

   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) a) The Company has given loan to a company covered in the register maintained under Section 301 of the Act. The number of party and amount involved is ONE and Rs. 43,62,492/- respectively.

b) The loan given is interest free as per the convention of the company amongst sister concern and is repayable on demand.

c) The repayment of principle is on demand.

iv) The Company has not taken loans from a company, firm or other party covered in the register maintained Section 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 commensurate 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, Customs Duty, Excise Duty, Cess or any other statutory dues with the appropriate authorities and there is no arrear of more than six months as at the last day of the year.

x) The Company 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 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 ;

AUDITORS' REPORT (Contd.)

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

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

iv) **In my opinion, Subject to non compliance of AS 15: Re: Retirement Benefits ; Re: Gratuity, and non compliance of AS 22 : Re : Deferred Tax, 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, 2010 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2010 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, 2010 ;

b) in the case of the Profit & Loss Account, 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 : 4th day of September , 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	6,54,67,800	6,54,67,800
Reserves & Surplus	2	16,20,20,925	14,82,27,745
		22,74,88,725	21,36,95,545
Loan Funds			
Secured Loans	3	77,64,75,809	67,41,56,663
Unsecured Loans	4	3,51,57,131	1,55,57,131
		81,16,32,940	68,97,13,794
Deferred Tax Liability (Net)		89,80,267	89,80,267
Total		**1,04,81,01,932**	**91,23,89,606**
APPLICATION OF FUND			
Fixed Assets			
Gross Block	5	1,27,60,51,859	1,14,29,61,898
Less : Depreciation		36,86,27,067	30,11,22,301
Net Block		90,74,24,792	84,18,39,597
Investments	6	83,40,000	24,15,000
Current Assets, Loans & Advances			
Inventories	7	7,09,13,725	1,71,03,398
Sundry Debtors	8	10,77,30,640	10,34,69,888
Cash & Bank Balances	9	3,34,69,650	4,39,45,773
Loans & Advances	10	10,47,09,885	6,89,57,946
		31,68,23,900	23,34,77,005
Less : Current Liabilities & Provisions			
Liabilities	11	14,18,63,469	12,22,02,321
Provisions	12	4,26,23,291	4,31,39,675
		18,44,86,760	16,53,41,996
Net Current Assets		13,23,37,140	6,81,35,009
Total		**1,04,81,01,932**	**91,23,89,606**
Notes to Accounts	19		

In terms of my Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
(Regn. No. 308013E)
Anjan Kumar
Proprietor
(Regn. No. 013166)
9/15, Fern Road
Kolkata - 700 019
Dated : 4th day of September, 2010

SHANTI PRASAD AGARWALA
Managing Director
PADAM KUMAR AGARWALA
Joint Managing Director
INDRAJIT MOOKERJEE
Joint Managing Director

VARUN AGARWAL
Executive Director
MANAS KUMAR DUTTA
AJIT KHANDELWAL
RAJESH JHUNJHUNWALA
Directors
A. K. BANDYOPADHYAY
Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

INCOME	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
Sales	13	49,73,25,416	49,58,81,424
Less : Excise Duty		2,46,58,044	3,59,07,512
		47,26,67,372	45,99,73,912
Operating Income	14	2,11,42,406	1,16,22,116
Other Income	15	1,66,58,242	28,10,389
Closing Stock of Goods		6,10,60,284	1,34,04,870
Closing Stock of Shares		7,74,907	7,94,748
		57,23,03,211	48,86,06,035
EXPENDITURE			
Opening Stock of Goods		1,34,04,870	6,52,61,479
Opening Stock of Shares		7,94,748	7,97,747
Purchase of Trading Goods		15,61,77,988	10,75,16,840
Raw Materials Consumed		1,81,15,084	2,39,38,883
Production, Manufacturing & Maintenance Expenses	16	15,37,19,692	8,85,90,228
Payment to & Provision for Employees	17	2,79,44,943	2,25,34,227
Administrative, Selling & Other Expenses	18	3,95,22,725	2,91,47,548
Excise Duty		8,82,345	71,750
Interest		6,63,61,313	4,73,65,846
Depreciation		7;52,98,364	5,08,99,530
		55,22,22,072	43,61,24,078
Profit before Taxation		2,00,81,139	5,24,81,957
Less : Provision for Taxation - Current		35,80,000	88,50,374
- Deferred Tax		—	13,44,196
- Fringe Benefit Tax		—	4,84,621
		1,65,01,139	4,18,02,766
Add : Balance as per last account		14,60,787	73,17,427
Surplus Available for Appropriation		1,79,61,926	4,91,20,193
Less : Proposed Dividend		32,73,390	65,46,780
Tax on Proposed Dividend		5,56,313	11,12,626
Transfer to General Reserve		—	4,00,00,000
Balance Carried to Schedule 2		1,41,32,223	14,60,787
Notes to Accounts	19		
Earning per Share (Rs.) Basic and Diluted (Face Value Rs. 10/-)		2.52	6.38

In terms of my Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
(Regn. No. 308013E)
Anjan Kumar
Proprietor
(Regn. No. 013166)
9/15, Fern Road
Kolkata - 700 019
Dated : 4th day of September, 2010

SHANTI PRASAD AGARWALA
Managing Director
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Joint Managing Director
INDRAJIT MOOKERJEE
Joint Managing Director

VARUN AGARWAL
Executive Director
MANAS KUMAR DUTTA
AJIT KHANDELWAL
RAJESH JHUNJHUNWALA
Directors
A. K. BANDYOPADHYAY
Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE - 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% Cumu. Redeemable 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
Add : Surplus from acquisition of land	11,21,744	—
	14,41,644	3,19,900
Capital Redemption Reserve		
As per last account	6,00,000	6,00,000
General Reserve		
As per last account	13,73,17,243	9,73,17,243
Add : Transfer from Profit & Loss Account	—	4,00,00,000
Add : Deferred Tax Asset (As per last account)	85,29,815	85,29,815
	14,58,47,058	14,58,47,058
Profit & Loss A/C Credit Balance	1,41,32,223	14,60,787
	16,20,20,925	14,82,27,745
SCHEDULE - 3		
SECURED LOANS		
Term Loans		
From Bank of Baroda (Secured by hypothecation & mortgage of all movable and immovable assets including Plant & Machinery and Cryogenic Tank at Uluberia and Vizag and collateral security of all movable and immovable assets of Kalyani Plant, hypothecation of Book-debts and charges on current movable assets of trading business.)	53,36,84,134	54,23,34,035
From West Bengal Financial Corporation (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme)	4,32,00,000	94,00,000
Interest due on Term Loan	48,59,320	—
Cash Credit		
From Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of some Directors)	19,44,68,887	12,17,91,146
Others		
From ICICI Bank	—	2,15,113
From HDFC Bank (Secured against hypothecation of cars)	2,63,468	4,16,369
	77,64,75,809	67,41,56,663

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE - 4		
UNSECURED LOANS		
From Body Corporates	3,51,57,131	1,55,57,131
	3,51,57,131	1,55,57,131

SCHEDULE - 5
DETAILS OF FIXED ASSETS

DESCRIPTION	COST				DEPRECIATION				BALANCE	
	As at 01-04-2009 Rs.	Additions Rs.	Adjustment Rs.	As at 31.03.2010 Rs.	As at 01.04.2009 Rs	Additions Rs.	Adjustment Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs
Freehold Land	4,03,51,627	27,43,043	65,92,634	3,65,02,036	—	—	—	—	3,65,02,036	4,03,51,627
Leasehold Land	1,62,328	—	—	1,62,328	1,793	—	—	1,793	1,60,535	1,60,535
Factory Building & Compound	1,67,99,566	3,72,85,737	—	5,40,85,303	46,40,549	11,91,134	—	58,31,683	4,82,53,620	1,21,59,017
Furniture	13,14,020	22,74,871	—	35,88,891	7,86,603	3,28,272	—	11,14,875	24,74,016	5,27,417
Plant & Machinery	35,19,10,947	42,27,51,608	16,64,502	77,29,98,053	9,53,67,691	2,61,90,305	10,27,876	12,05,30,120	65,24,67,933	25,65,43,256
Motor Car	75,52,031	6,36,185	3,97,862	77,90,354	31,98,018	10,48,616	—	42,46,634	35,43,720	43,54,013
Electric Installation	1,36,62,945	5,04,15,794	—	6,40,78,739	31,30,218	18,79,407	—	50,09,625	5,90,69,114	1,05,32,727
Office Equipment	9,95,002	5,35,784	—	15,30,786	6,05,198	1,25,110	—	7,30,308	8,00,478	3,89,804
Truck	13,59,570	—	—	13,59,570	9,43,767	1,24,741	—	10,68,508	2,91,062	4,15,803
Cylinder	15,01,49,239	1,47,06,837	79,02,021	15,69,54,055	9,96,30,416	2,08,21,556	44,60,104	11,59,91,868	4,09,62,187	5,05,18,823
Tanker	12,93,11,449	3,60,26,550	23,33,396	16,30,04,603	8,94,74,724	2,27,05,982	23,25,777	10,98,54,929	5,31,49,674	3,98,36,725
Storage Tank	—	68,45,314		68,45,314		2,04,708		2,04,708	66,40,606	
Computer	26,64,934	14,48,119	—	41,13,053	19,11,032	6,07,557	—	25,18,589	15,94,464	7,53,902
Howrah Shed	16,22,675	—	—	16,22,675	11,74,790	44,781	—	12,19,571	4,03,104	4,47,885
Howrah Flat	1,70,817	—	—	1,70,817	—	—	—	—	1,70,817	1,70,817
Motor Cycle	94,193	59,270	9,428	1,44,035	43,232	16,384	—	59,616	84,419	50,961
Tube well	5,13,974	—	—	5,13,974	2,14,270	29,970	—	2,44,240	2,69,734	2,99,704
Work-in-progress	42,31,52,036	—	42,31,52,036	—	—	—	—	—	—	42,31,52,036
Total	1,14,17,87,353	57,57,29,112	44,20,51,879	1,27,54,64,586	30,11,22,301	7,53,18,523	78,13,757	36,86,27,067	90,68,37,519	84,06,65,052
Intangible assets Computer Software	11,74,545	—	5,87,272	5,87,273	—	—	—	—	5,87,273	11,74,545
Total as on 31.03.2010	1,14,29,61,898	57,57,29,112	44,26,39,151	1,27,60,51,859	30,11,22,301	7,53,18,523	78,13,757	36,86,27,067	90,74,24,792	—
Total as on 31.03.2009	67,30,36,170	47,27,40,687	28,14,959	1,14,29,61,898	25,15,62,355	5,08,99,530	13,39,584	30,11,22,301	—	84,18,39,597

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE - 6		
INVESTMENT (AT COST)		
Shares (UNQUOTED)		
(Under the same management)		
5,88,000 Fully paid Equity Shares of Rs. 10 each in Lorch Ellenbarrie Welding Products Pvt. Ltd.	58,80,000	—
4,500 Fully paid Equity Shares of Rs. 10 each in Gunjan Properties Pvt. Ltd.	45,000	—
2,40,000 Fully paid Equity Shares of Rs. 10 each in Varun Tea Plantation Ltd.	24,00,000	24,00,000
150 Fully paid Equity Shares of Rs. 100 each in Superior Tea & Allied Ind. Pvt. Ltd.	15,000	15,000
	83,40,000	24,15,000

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 7

INVENTORIES

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
(As taken, valued and certified by the Management)		
Stores & Spare Parts (At cost)	72,42,834	14,01,580
Raw Materials (At cost)	18,65,700	15,02,200
Trading Goods (At cost)	5,69,84,291	1,25,34,113
Manufactured Goods (At lower of cost or net realisable value)	40,75,993	8,70,757
Shares & Securities (At lower of cost or net realisable value)	7,44,907	7,94,748
(As per Schedule - 7A)	7,09,13,725	1,71,03,398

SCHEDULE - 7A

STOCK OF SHARES AND SECURITIES

NO. OF SHARES	FACE VALUE Rs.	NAME OF THE BODY CORPORATES	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
		Quoted-At Lower of cost or market value		
		(Fully paid up Equity Shares)		
436	10	ABB Ltd.	95,854	95,854
16,900	10	Basera Cements Ltd.	42,250	42,250
96	10	Bells Control Ltd.	221	221
100	10	Bhagwati Gases Ltd.	433	433
5	100	Bombay Oxygen Ltd.	5,513	5,513
100	10	Burrough Welcome (India) Ltd.	8,500	8,500
3,500	10	DSQ Biotech Ltd.	13,300	13,300
20,000	10	Heruk Agro Ltd.	1,75,000	1,75,000
150	10	HGI Industries Ltd.	825	825
1,700	10	Hindustan Motors Ltd.	11,050	11,050
500	10	ICICI Bank Ltd.	1,37,506	1,37,506
2,540	10	India Polyfibre Ltd.	7,905	7,905
250	10	IFCI Ltd.	1,667	1,667
425	10	Ispat Industries Ltd.	4,448	4,448
5,500	10	Lan Eseda Industries Ltd.	2,750	2,750
400	10	Mangalam Timber Products Ltd.	1,630	1,630

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 7A (Contd.)

STOCK OF SHARES AND SECURITIES

NO. OF SHARES	FACE VALUE Rs.	NAME OF THE BODY CORPORATES	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
		Quoted-At Lower of cost or market value		
		(Fully paid up Equity Shares)		
500	10	Nagarjuna Fertilisers 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
30	10	Premier Automobiles Ltd.	426	426
45	10	Reliance Enterprises Ltd.	9,000	9,000
200	10	Reliance Polythelene Ltd.	2,500	2,500
2,200	10	21st Century (India) Ltd.	—	19,841
100	10	Warren Tea Ltd.	2,303	2,303
		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
			7,74,907	7,94,748

SCHEDULE - 8

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SUNDRY DEBTORS		
Unsecured ; Considered Good		
Debts due for a period over six months	64,98,271	57,34,288
Other Debts	10,12,32,369	9,77,35,600
	10,77,30,640	10,34,69,888

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 9
CASH & BANK BALANCES

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Cash in hand	2,16,047	2,77,881
Balance with Scheduled Banks :		
In Current Account (Unconfirmed Rs. 2,39,880)	16,34,134	1,30,73,104
In Margin Deposit Account	3,16,19,469	3,05,94,788
	3,34,69,650	4,39,45,773

SCHEDULE - 10
LOANS & ADVANCES

(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	6,63,29,068	3,70,49,003
Loans to Body Corporate	43,62,492	—
Tax paid in advance and at source	3,21,65,464	3,02,56,932
Deposit for office premises	4,25,000	4,25,000
Deposit	14,27,861	12,27,011
	10,47,09,885	6,89,57,946

SCHEDULE - 11
CURRENT LIABILITIES

Sundry Creditors	7,18,09,157	6,21,07,824
Deposit from Customers	7,00,54,312	6,00,94,497
	14,18,63,469	12,22,02,321

SCHEDULE - 12
PROVISIONS

Tax provision	3,43,91,451	3,08,11,451
Proposed Dividend	32,73,390	65,46,780
Tax provision on Dividend	5,56,313	11,12,626
Provision for Bonus	3,09,838	6,50,726
Leave Encashment	61,718	2,04,745
Gratuity	27,31,788	24,49,760
Fringe Benefit Tax	8,07,216	12,91,837
Central Excise Duty	4,91,577	71,750
	4,26,23,291	4,31,39,675

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 2009-10 Rs.	Year Ended 2008-09 Rs.
SCHEDULE - 13		
SALES		
Manufactured Goods	35,62,12,784	32,70,21,250
Less : Excise Duty	2,46,58,044	3,59,07,512
Net Sales	33,15,54,740	29,11,13,738
Trading Goods	14,11,12,632	16,88,60,174
	47,26,67,372	45,99,73,912
SCHEDULE - 14		
OPERATING INCOME		
Income from Operation	2,11,42,406	1,16,22,116
(Tax deducted at source Rs. 7,52,032;Previous Year Rs. 42,474)		
	2,11,42,406	1,16,22,116
SCHEDULE - 15		
OTHER INCOME		
Interest (Gross)		
From Bank	31,72,589	17,69,834
From Others	20,855	2,57,716
(Tax deducted at source Rs. 4,29,124;Previous Year Rs. 2,58,031)		
Dividend	5,046	5,709
Profit on Sale of Fixed Assets	96,04,312	4,40,901
Miscellaneous Income	12,54,114	58,810
Sundry Credit balances written back	21,54,537	—
Insurance Claim	4,46,789	2,77,419
	1,66,58,242	28,10,389
SCHEDULE - 16		
PRODUCTION, MANUFACTURING & MAINTENANCE EXPENSES		
Consumable Stores	50,14,999	52,93,086
Power Consumption	13,38,80,776	6,57,85,046
Repairs to Building	6,81,150	6,31,184
Repairs to Machinery	1,22,17,402	1,53,27,022
Other Repairs	19,25,365	15,53,890
	15,37,19,692	8,85,90,228
SCHEDULE - 17		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary, Wages & Bonus	2,12,09,657	1,68,07,719
Contribution to ESI	1,27,299	1,25,841
Contribution to P.F.	2,89,548	2,87,773
Labour & Staff Welfare	5,58,439	11,12,894
Directors Remuneration	57,60,000	42,00,000
	2,79,44,943	2,25,34,227
SCHEDULE - 18		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	4,89,650	5,14,680
Rates & Taxes	12,20,428	10,57,307
Miscellaneous Expenses	2,52,94,768	1,80,72,097
Insurance	21,56,420	16,42,762
Travelling & Conveyance	44,42,333	38,80,309
Auditors Remuneration	82,510	83,540
Selling Expenses	51,93,344	31,82,573
Loss on sale of Investment	—	91,008
Write off of computer software	5,87,272	5,87,272
Directors' Fees	56,000	36,000
	3,95,22,725	2,91,47,548

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19

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

Class of Goods	CAPACITY (Cu.m. in Million) Licensed	Installed	PRODUCTION (Cu.m.) 2009-2010	2008-2009
a) Oxygen	26.000	26.000	2,54,17,532.000	2,20,21,258.000
b) Acetylene	1.000	1.000	90,749.500	72,963.700
c) Nitrogen	15.000	15.000	1,46,40,006.710	1,00,61,674.000
d) Special (High Purity) Gases & Gas Mixture	0.220	0.220	43,022.000	13,123.500
e) Argon	6.000	6.000	1,54,403.960	3,68,697.500
f) Argoshield	1.000	1.000	—	—
g) Medical Oxygen	1.000	1.000	1,98,150.470	1,39,249.870
h) Carbon-di-oxide (MT)	0.002	0.002	4,49,904.500	3,24,574.000
i) Zero Air	—	—	11,427.000	—

2. **Opening Stock, Sales and Closing Stock :**

Description	Class of Goods	2009 - 2010 Quantity (Cu.m.)	2009 - 2010 Value Rs.	2008 - 2009 Quantity (Cu.m.)	2008 - 2009 Value Rs.
Opening Stock	Oxygen	87,661.000	7,03,115	4,655.000	45,273
	Nitrogen	1,374.000	13,428	770.000	12,334
	Argon	1,433.040	85,982	819.000	56,226
	Acetylene	452.400	61,074	2,174.000	3,35,889
	Medical Oxygen	131.400	2,628	446.000	10,228
	Carbon-di-oxide	210.000	2,730	450.000	6,694
	Gas Mixture	30.000	1,800	—	—
Sales	Oxygen	2,53,79,246.000	17,80,69,152	2,19,38,252.000	17,44,27,336
	Nitrogen	1,46,08,880.130	12,32,21,541	1,00,61,070.000	7,98,44,971
	Argon	1,51,740.000	78,87,507	3,68,083.460	2,16,10,369
	Gas Mixture	42,498.000	29,69,608	13,093.500	5,14,700
	Acetylene	90,452.200	1,26,03,072	74,685.300	1,06,35,956
	Medical Oxygen	1,98,151.750	36,22,694	1,39,564.470	27,04,878
	Carbon-di-oxide	4,06,332.100	16,23,091	3,24,814.000	13,75,528
	Zero Air	11,427.000	2,58,075	—	—
	Tank	1	13,00,000	—	—
Closing Stock	Oxygen	1,25,947.000	7,40,330	87,661.000	7,03,115
	Nitrogen	32,500.580	23,94,036	1,374.000	13,428
	Argon	4,097.000	3,00,915	1,433.040	85,982
	Acetylene	749.700	1,01,212	452.400	61,074
	Medical Oxygen	130.120	2,762	131.400	2,628
	Carbon-di-oxide	43,782.400	5,29,238	210.000	2,730
	Gas Mixture	554.000	7,500	30.000	1,800

Notes : Both Production and sales quantities include inter-unit transfer.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

3. Particulars of Goods traded in :

Class of Goods	UNIT	QUANTITY 2009-2010	AMOUNT (Rs.) 2009-2010	QUANTITY 2008-2009	AMOUNT (Rs.) 2008-2009
A) OPENING STOCK					
Sheet & Steel Materials	MT	426.040	1,23,96,250	3,080.480	6,31,10,763
Hydrogen	Cu.m.	89.400	4,470	32.900	1,645
Carbon-di-Oxide	Kg.	1,281.000	16,653	802.000	10,413
Nitrous Oxide	Cu.m.	17.220	2,755	43.200	6,912
Helium Gas	Cu.m.	76.000	68,400	133.000	85,785
Liquid Nitrogen (in transit)	Lt.	8,184	45,585	—	—
Others	—	—	—	—	15,79,317
B) PURCHASE					
Sheet & Steel Materials	MT	7,361.930	14,96,61,655	4,077.160	9,75,59,158
Hydrogen	Cu.m.	169.200	7,123	498.200	22,280
Carbon-di-Oxide	Kg.	2,95,346.000	—	1,80,261.000	8,832
Nitrous Oxide	Cu.m.	394.980	70,340	576.320	1,10,659
Liquid Oxygen	MT	—	—	3,47,847.700	34,28,778
Liquid Nitrogen	Lt.	34,601.600	—	8,184.000	45,585
Engineering Goods	No.	—	70,356	—	1,46,239
Helium Gas	Cu.m.	322.000	1,44,990	308.000	1,64,928
Dissolved Acetylene	Cu.m.	8,022.800	—	12,257.300	20,760
Tank	No.	1	14,90,465	1	17,91,360
Others (PVC Resin)	MT	108.000	47,33,059	—	42,18,261
C) SALES					
Sheet & Steel Materials	MT	5,861.360	12,78,19,701	6,731.600	15,16,98,221
Hydrogen	Cu.m.	272.600	24,276	441.800	38,117
Carbon-di-Oxide	Kg.	2,94,969.000	40,99,529	1,79,782.000	28,28,959
Nitrous Oxide	Cu.m.	484.080	86,880	602.100	1,40,860
Liquid Oxygen	MT	—	—	3,47,847.700	28,11,922
Liquid Nitrogen	MT	41,470.000	7,03,955	—	—
Tank	No.	1	16,00,000	1	19,91,360
Engineering Goods	No.	—	—	—	1,48,815
Helium Gas	Cu.m.	400.000	3,83,200	365.000	3,66,210
Dissolved Acetylene	Cu.m.	7,800.000	14,11,431	12,257.300	23,37,209
Others (PVC Resin)	MT	108.000	49,83,660	—	64,98,501
D) CLOSING STOCK					
Sheet & Steel Materials	MT	1,926.610	5,69,03,093	426.040	1,23,96,250
Hydrogen	Cu.m.	—	—	89.400	4,470
Carbon-di-Oxide	Kg.	—	—	1,281.000	16,653
Nitrous Oxide	Cu.m.	8.700	1,392	17.220	2,755
Helium Gas	Cu.m.	10.500	9,450	76.000	68,400
Liquid Nitrogen	Lt	—	—	8,184.000	45,585
Engineering Goods	No.	—	70,356	—	—
E) WASTAGE/OWN CONSUMPTION					
Carbon-di-Oxide	Kg.	1,658	—	—	—

Note : Sales quantities include inter-unit transfer.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

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

	2009 - 2010		2008- 2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Indigenous	8,56,209 Cu.m.	79,25,500	24,00,497 Cu.m.	1,71,08,600
	3,28,505 Kg	19,71,031	3,48,480 Kg	37,30,005
Imported	1,49,300 Kg	82,18,553	97,200 Kg	31,00,278

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

	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Indigenous	1,66,16,075	96%	1,01,94,627	94%
Imported	6,16,326	4%	6,18,636	6%

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

		2009-2010	2008-2009
		Rs.	Rs.
	a) Capital Goods	1,61,03,642	8,31,33,544
	b) Trading Goods	1,74,62,684	7,00,31,303
	c) Spares	20,21,869	6,18,636
	d) Raw Material	1,04,62,557	50,93,542
7.	Miscellaneous Expenses do not include any expenses exceeding 1% of the total revenue or Rs. 5,000 whichever is higher.	NIL	NIL
8.	Earnings in Foreign Currency on FOB basis	17,46,084	NIL
9.	Expenditure in Foreign Currency : Travelling	2,39,900	83,063
	Trading Goods	1,74,62,684	7,00,31,303
	Raw Materials	7,74,971	50,93,542
	Spares	20,21,869	6,18,636
	Capital Goods	1,61,03,642	10,35,97,186
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

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
Gunjan Suppliers Pvt. Ltd.	22,61,000	22,61,000
Ellenbarrie Cryogenics Ltd.	43,62,492	43,62,492

14. Auditors remuneration Rs. 82,510 includes Audit Fees Rs. 55,150 (Previous Year Rs. 56,180); Tax Audit Fees Rs. 12,360 (Previous Year Rs. 12,360); Internal Audit Fees Rs. 15,000 (Previous Year Rs. 15,000).

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

15. **Significant Accounting Policies :**

(a) Accounting Convention :

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

(b) Fixed Assets :

Fixed Assets are stated at cost less depreciation. No Assets acquired on hire purchase.

(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 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) 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 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.

(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.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

(i) **Revenue Recognition :**

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

(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 :

	2009-10	2008-09
Net Profit	1,65,01,139	4,18,02,766
Weighed average number of Equity Shares outstanding	65,46,780	65,46,780
Earning per Share - Basic & Diluted (Face Value of Rs. 10 each)	2.52	6.38

18. In accordance 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 differences are :

	2009-10	2008-09
Deferred Tax Liability Depreciation and Expenditure u/s 43B of the Income Tax Act	—	1,69,88,848
Deferred Tax Assets Unamortised Expenses and others	—	80,08,581
Net Deferred Tax Liabilities	—	89,80,267

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

19 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 huge 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.

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.

Gunjan Suppliers Pvt. Ltd.

Varun Tea Plantations Ltd.

Ellenbarrie Cryogenics Ltd.

b) Key Managerial Personnel

Shri Shanti Prasad Agarwala, Managing Director

Shri Padam Kumar Agarwala, Joint Managing Director

Shri Indrajit Mookerjee, Joint Managing Director

Shri Varun Agarwal, Executive Director

c) Transactions with related parties :

Nature of Transactions	Related Party	Personnel
Managerial Remuneration		57,60,000 (42,00,000)
Outstanding Balances as on 31.03.2010 Receivables	68,48,492 (13,12,976)	

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 AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE - 19 (Contd.)

SEGMENT REPORTING

PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
REVENUE EXTERNAL (NET OF EXCISE DUTY)		
Gases and related products	34,48,47,671	30,82,75,691
Sheets	12,78,19,701	15,16,98,221
	47,26,67,372	**45,99,73,912**
DEPRECIATION		
Gases and related products	7,50,72,907	5,07,35,782
Sheets	2,25,457	1,63,748
	7,52,98,364	**5,08,99,530**
PROFIT BEFORE TAX AND EXTRA		
Gases and related products	(23,58,293)	5,07,51,017
Sheets	2,24,39,432	17,30,940
	2,00,81,139	**5,24,81,957**
NET FIXED ASSETS		
Gases and related products	90,59,03,471	84,09,11,691
Sheets	15,21,321	9,27,906
	90,74,24,792	**84,18,39,597**
CURRENT ASSETS		
Gases and related products	25,99,20,283	13,31,22,809
Sheets	5,69,03,617	3,13,96,250
	31,68,23,900	**16,45,19,059**
CURRENT LIABILITIES		
Gases and related products	11,90,96,117	12,22,02,321
Sheets	2,27,67,352	—
	14,18,63,469	**12,22,02,321**
CAPITAL EXPENDITURE		
Gases and related products	57,57,29,112	47,27,40,687
Sheets	—	—
	57,57,29,112	**47,27,40,687**

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

Signature to Schedules '1' to '22'

As per my Report of even date annexed herewith.

For A. K. Kumar & Co.
Chartered Accountant
(Regn. No. 308013E)
Anjan Kumar
Proprietor
(Regn. No. 013166)
9/15, Fern Road
Kolkata - 700 019
Dated : 4th day of September, 2010

SHANTI PRASAD AGARWALA
Managing Director
PADAM KUMAR AGARWALA
Joint Managing Director
INDRAJIT MOOKERJEE
Joint Managing Director

VARUN AGARWAL
Executive Director
MANAS KUMAR DUTTA
AJIT KHANDELWAL
RAJESH JHUNJHUNWALA
Directors
A. K. BANDYOPADHYAY
Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

			31.03.2010 Rs.	31.03.2009 Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		2,00,81,139	5,24,81,956
	Adjustment for :			
	Depreciation		7,52,98,364	5,08,99,530
	Interest (Expenses)		6,63,61,313	4,73,65,846
	Profit on sale of Fixed Assets		(96,04,312)	(4,40,901)
	Dividend (income)		(5,046)	(5,709)
	Interest (income)		(31,93,444)	(20,27,550)
	Loss on sale of Investment		—	91,008
	Write off Intangible Asset-Computer Software		5,87,272	5,87,272
	Operating profit before working capital changes		14,95,25,286	14,89,51,452
	Adjustments for :			
	Trade and other receivable		(3,89,16,331)	(21,70,72,150)
	Inventories		(5,38,10,327)	5,34,29,339
	Trade and other payables		6,27,95,059	(3,59,82,010)
	Cash generated from operation		11,95,93,687	(5,06,73,369)
	Direct Tax paid		(10,96,360)	(1,12,56,523)
	Net Cash fromOperating Activities	(A)	11,84,97,327	(6,19,29,892)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Investment		(59,25,000)	(24,00,000)
	Purchase of Fixed Assets		(57,57,29,112)	(8,51,01,886)
	Capital Work-in-Progress		42,31,52,036	(16,27,99,929)
	Sale of Fixed Assets		2,17,73,102	13,29,004
	Sale of Investments		—	1,13,051
	Interest received		31,93,444	20,27,550
	Dividend received		5,046	5,709
	Net Cash used in Investing Activities	(B)	(13,35,30,484)	(24,68,26,501)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long term Borrowings		5,31,00,000	39,48,31,901
	Increase in Cash Credit and other short term borrowings		7,23,09,727	2,53,43,934
	Repayment of long term Borrowings		(4,66,50,000)	(5,24,15,910)
	Payment of Interest		(6,63,61,313)	(4,73,65,846)
	Payment of Gratuity		(38,948)	(4,12,988)
	Payment of leave Salary		(1,43,026)	(1,00,000)
	Payment of Dividend		(65,46,780)	(65,46,780)
	Payment of Dividend Tax		(11,12,626)	(11,12,626)
	Net Cash used in financing activities	(C)	45,57,034	31,22,21,685
	Net increase / decrease in cash and cash equivalent	(A+B+C)	(1,04,76,123)	34,65,292
	Opening cash and cash equivalents		4,39,45,773	4,04,80,481
	Closing cash and cash equivalents		3,34,69,650	4,39,45,773

VARUN AGARWAL
Executive Director

SHANTI PRASAD AGARWALA
Managing Director

MANAS KUMAR DUTTA
AJIT KHANDELWAL
RAJESH JHUNJHUNWALA
Directors

PADAM KUMAR AGARWALA
Joint Managing Director

INDRAJIT MOOKERJEE
Joint Managing Director

A. K. BANDYOPADHYAY
Secretary

Dated : 4th day of September, 2010

This is the Cash Flow Statement referred to in my Report of even 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 : 4th day of September, 2010

...ANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

...stract and Company's General Business Profile

...ETAILS

... 2 9 1 0 2 State Code 2 1

...e 3 1 0 3 2 0 1 0
Date Month Year

...DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

... N I L Bonus Issue N I L

... N I L Private Placement N I L

...BILISATION AND DEPLOYMENT OF FUNDS (AMOUNT Rs. IN THOUSANDS)

... 2 5 8 9 Total Assets 1 2 3 2 5 8 9

...NDS

... 5 4 6 8 Reserves and Surplus 1 6 2 0 2 1

... 6 4 7 6 Unsecured Loans 8 5 1 5 7

... FUNDS

... 7 4 2 5 Investments 8 3 4 0

...s

... 2 3 3 7 Misc. Expenditure N I L

...es

... N I L

...OF COMPANY (AMOUNT Rs. IN THOUSANDS)

... 2 3 0 3 Total Expenditure 5 5 2 2 2 2

...Loss) Before Tax + – Profit/(Loss) After Tax

... 2 0 0 8 1 ✓ 1 6 5 0 1

...priate box + for profit, -- for loss)

...e (Rs.) Dividend Rate (%)

... 2 . 5 2 5

...S OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

...ARY TERMS)

...C Code) Product Description

... 0 4 4 0 O X Y G E N

...C Code) Product Description

... 0 4 3 0 N I T R O G E N

...C Code) Product Description

... 0 4 1 2 A R G O N

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ULUBERIA PLANT

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