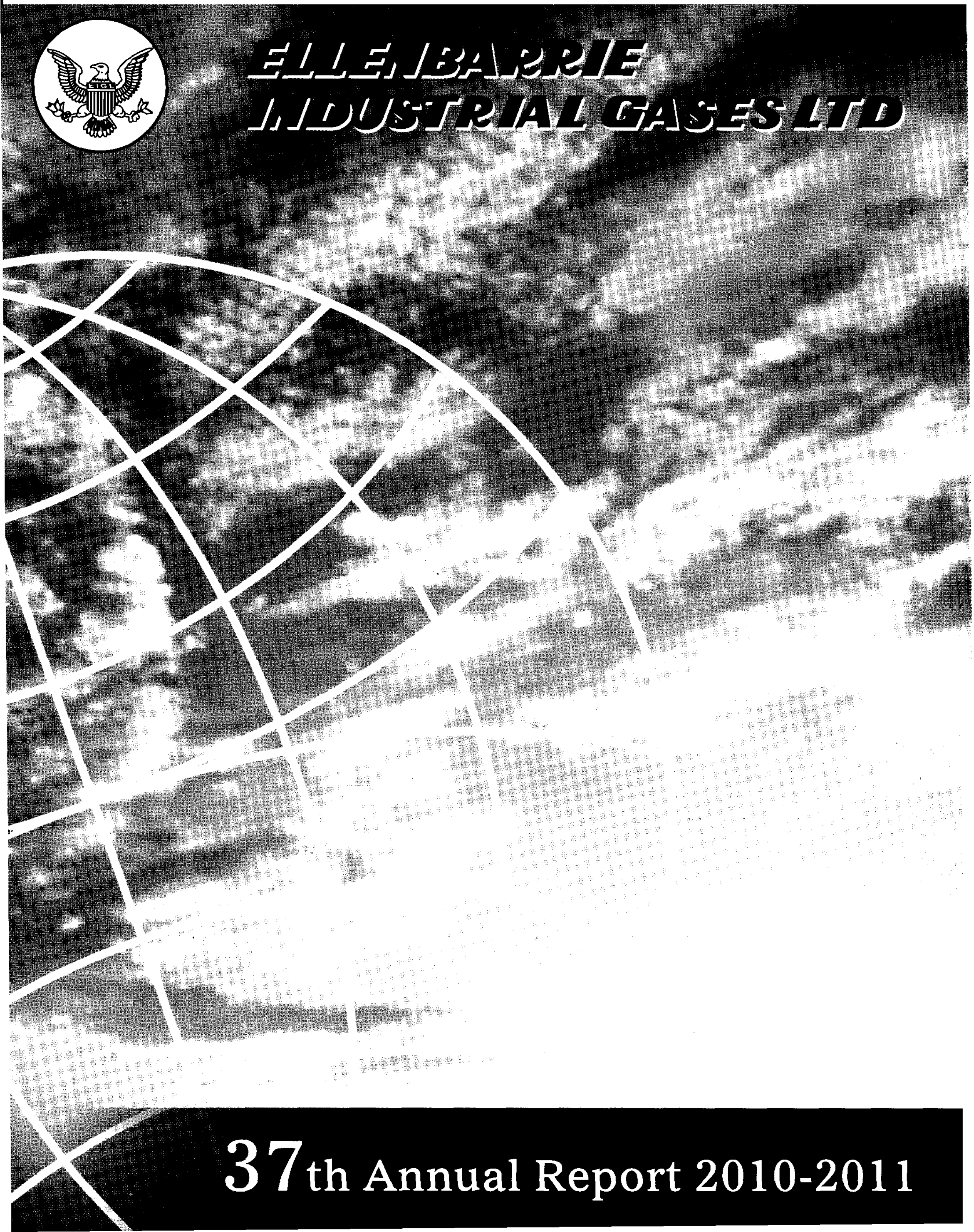
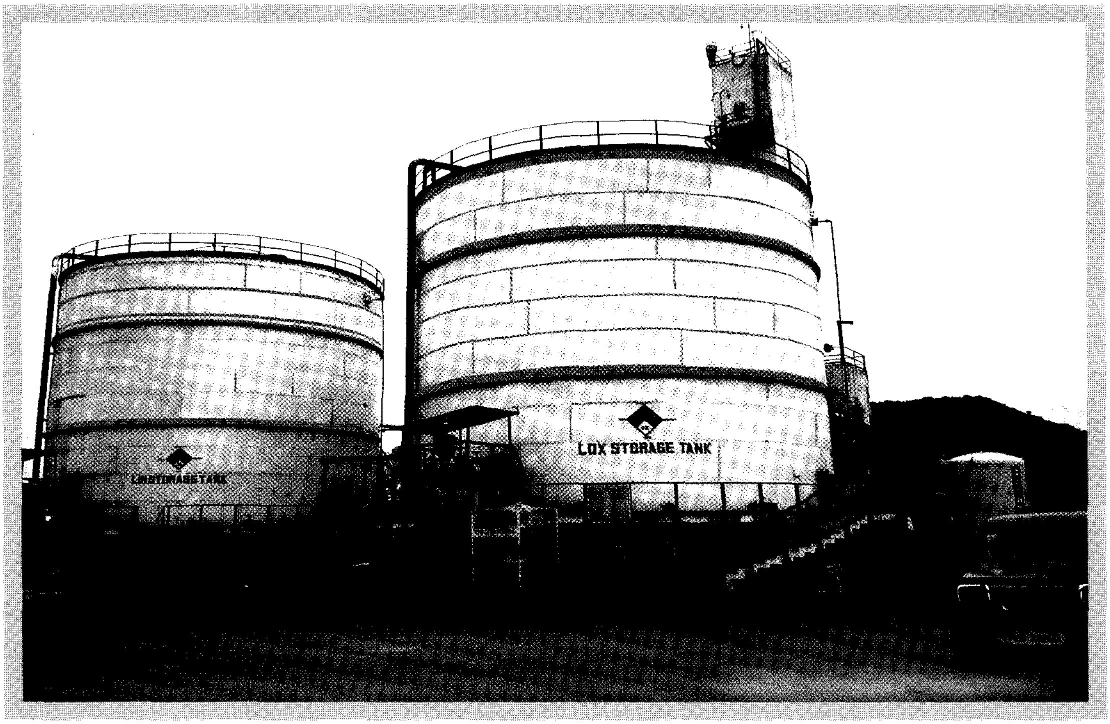
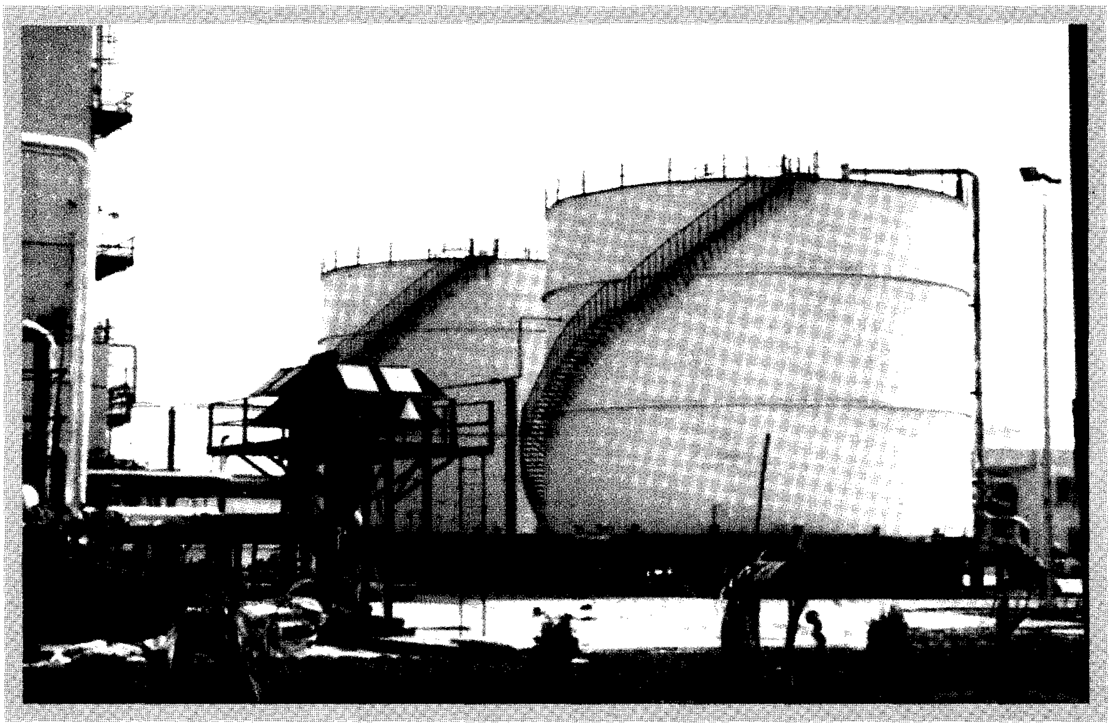
# ELLENBARRIE INDUSTRIAL GASES LTD



## 37th Annual Report 2010-2011




**VIZAG PLANT**



**VIZAG PLANT**

# ELLENBARRIE INDUSTRIAL GASES LTD

**DIRECTORS**

Shri Shanti Prasad Agarwala, *Managing Director*
Shri Padam Kumar Agarwala, *Joint Managing Director*
Shri Indrajit Mookerjee, *Joint Managing Director*
Shri Varun Agarwal, *Executive Director*
Shri Ajit Khandelwal
Shri Manas Kumar Dutta
Shri Rajesh Jhunjhunwaia
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 Seventh Annual General Meeting of the Company will be held at THE CONCLAVE (Rose Room), 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 on Friday the 30th September, 2011 at 3.00 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, 2011 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 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.
5. To declare dividend on Equity Shares for the year ended 31st March, 2011.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 3rd day of September, 2011

By Order of the Board

S. P. AGARWALA
Managing Director

NOTES :

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

   Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting. Blank proxy form is enclosed.

b. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2011 to 30th September, 2011 (both days inclusive).

c. The Dividend for the year ended 31st March, 2011 if declared at the meeting will be payable to those Members whose names appear in the Company's Register of Members as on 19th September, 2011 and in respect of Shares held in dematerialised form to the beneficial owners whose names appear in the Statements to be furnished by the depositories for this purpose as at the end of the business hours on 19th September, 2011. The dividend declared at the Annual General Meeting shall be paid on or after 5th October, 2011.

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.)

e. Shareholders who hold Shares in dematerialised form may please note that Company mandatorily will be printing on the dividend warrants as advised by the Securities and Exchange Board of India (SEBI), the Shareholder's Bank account details as furnished by the respective Depositories to the Company. The Company will not act on any request received directly from the Shareholders for any changes in their bank account details.

f. Shareholders who continue to hold shares in physical form are requested to intimate any change in their address to the 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.

g. 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.

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

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

j. 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 2003 - 2004 which remains unclaimed is due to be transferred to the said account after 30th September, 2011 and for further years commencing from 2004 - 2005 onwards on their respective due dates.

   Members who have not claimed / encashed their final Dividend so far for the financial year ended 31st March, 2005 or any subsequent financial year(s) may approach the Companies for obtaining payments thereof before expiry of the stipulated 7 years period.

k. 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.

l. 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.

m. 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.

n. 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.

o. 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 to their depository participants, Members holding shares in physical form can submit their PAN details to the Company.

## NOTICE (Contd.)

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

| | | |
|---|---|---|
| Name of Director | Mr. Manas Kumar Dutta | Mr. Ajit Khandelwal |
| Date of Birth | 1st September, 1933 | 10th November, 1957 |
| Date of Appointment | 28-09-2007 | 15-12-2003 |
| Expertise in specific functional area | Accounting and related Financial Management | Stock broking, Investment Advisory, Merchant Banking and Equity Research |
| Qualification | M.Com, FCA | |
| Shareholding in the Company | NIL | NIL |
| List of other Public Limited Companies in which Directorship held | 1) Krico Traders Ltd.<br>2) Sutodiya Investments & Trading Co. Ltd.<br>3) Varun Tea Plantations Ltd. | 1) Bharat Fritz Werner Ltd.<br>2) BNK Capital Markets Ltd.<br>3) Kothari Phytochemicals and Industries Ltd.<br>4) Nucent Estate Ltd.<br>5) The Calcutta Stock Exchange Ltd. |
| Chairman/Member of the Committees of the Board across all Public Companies in which he is Director | — | BNK Capital Markets Limited (Member of Shareholders Grievance Committee) Kothari Phytochemicals and Industries Limited (Member of Audit Committee) Nucent Estate Limited (Member of Audit Committee) And Shareholders Grievance Committee) |
| 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 | Member of the Remuneration Committee Member of the Audit Committee |

# DIRECTORS' REPORT

## DEAR SHAREHOLDERS

Your Directors are pleased to present the Thirty Seventh Annual Report on the operations of the Company together with audited Accounts for the year ended 31st March, 2011.

## FINANCIAL RESULTS

*Amount (Rs. in lacs)*

| | Year Ended 31st March, 2011 | Year Ended 31st March, 2010 |
|---|---|---|
| Total Revenue inclusive of Excise Duty | 7,030.44 | 5,351.25 |
| Turnover inclusive of Excise Duty | 6,405.44 | 4,973.25 |
| Other Income | 625.00 | 378.00 |
| Profit before Taxation | 419.91 | 200.81 |
| Provision for Taxation | 84.90 | 35.80 |
| Balance brought forward from previous year | 141.32 | 14.61 |
| Profit available for appropriation | 476.33 | 179.62 |
| **APPROPRIATION** | | |
| Dividend | 32.73 | 32.73 |
| Dividend Tax | 5.31 | 5.57 |
| Transfer to General Reserve | 140.00 | — |
| Balance carried forward | 298.29 | 141.32 |

## PERFORMANCE

During the financial year 2010-11 your Company registered Sales revenue of Rs. 5,967.74 lakh (net of Excise) representing 26.26% higher than Financial Year 2009-2010. Increased Sales was resulted from manufacture of Industrial gases, particulars of which have been disclosed under Schedule 19 Page 30 of the Annual Report. Out of Sales of Manufactured Goods, of Rs. 4,645.03 (net of excise) Visakhapatnam Plant had executed Rs. 2,107.52 lakhs of orders and the composition of balance amount of Sales of Rs. 2,537.51 lakhs, sales from Uluberia Plant was Rs. 1,836.10 and Rs. 701.41 lakhs from Kalyani Plant. Profit before Interest, Depreciation and Tax was Rs. 15,90,65,302 compared to Rs. 16,17,40,816 for the Financial Year 2009-2010.

During the year 2010-11 the Company had to incur an additional expenditure of Rs. 1310 lakhs on account of Power Consumption mainly because of substantial increase of Power Tariff by the Government. Inspite of growth in Sales and production, profitability was eroded due to such increase in Cost of Power.

The Company achieved Rs. 419.91 lakhs Profit before Tax for the reporting period i.e. 109.11% higher than the previous financial year 2009-10.

## DIVIDEND

The Directors have recommended dividend 5% on Equity Shares of the Company for the year ended 31st March, 2011. The total outgo including Dividend Tax would be Rs. 38.04 lakhs (Last year Rs. 38.30 lakhs)

## DIRECTORS' REPORT (Contd.)

### 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 except AS-15 and AS-22 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, 2011.
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 Ajit Khandelwal retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume / details relating to Shri Manas Kumar Dutta and Shri Ajit Khandelwal 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. 25,82,241 which has been accounted for but not yet funded.

In respect of AS-22, relating to Deferred Tax arising out of timing difference between Accounting Income and Taxable Income, cumulative deferred tax liability has been ascertained as Rs. 4.73 crores to be provided for in the financial year 2011-12.

## DIRECTORS' REPORT (Contd.)

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

a) After the increase in the installation of capacitors at Uluberia and Visakhapatnam Plant power consumption per cu.m of liquid production has 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. 24,74,640 FOB Basis.

d) Foreign Exchange Expenditure : Rs. 8,43,52,121

### 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, 2011 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 : 3rd day of September, 2011

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 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 :

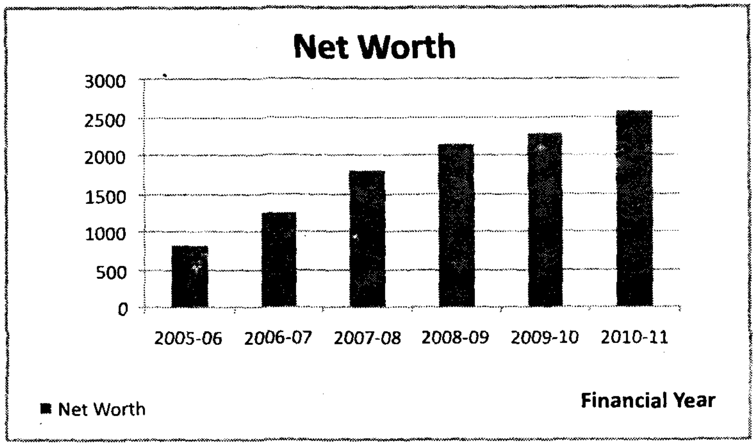
(i) Significant changes in internal control during the year.

(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 | P. K. GHOSH |
| Dated : 3rd day of September, 2011 | Managing Director | Chief Financial Officer |

Rs. in Lakhs




Rs. in Lakhs

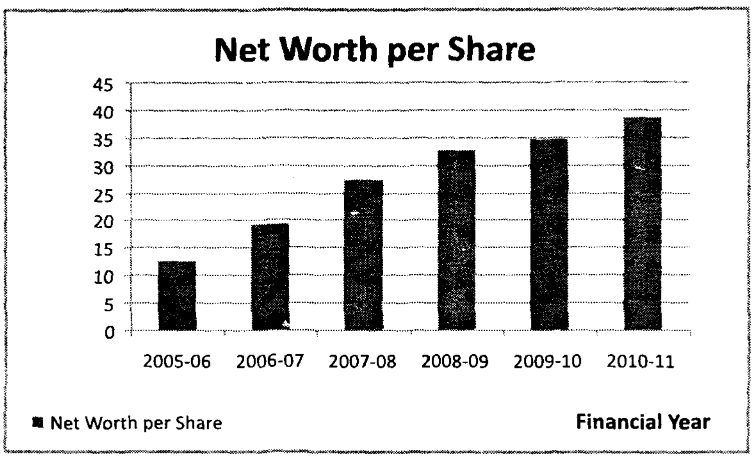
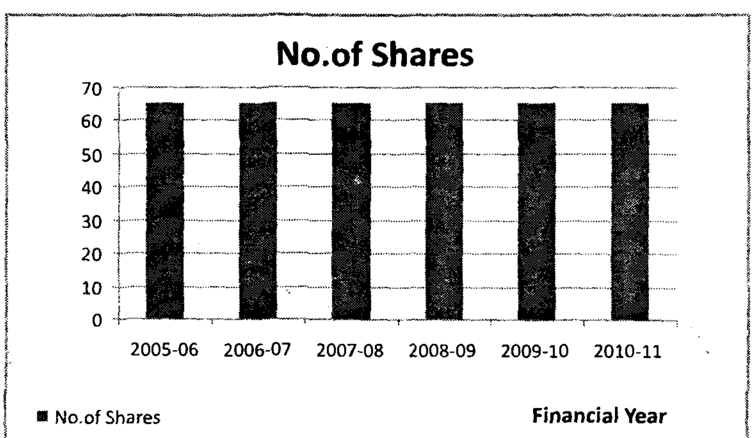



Fig. in Lakhs



# 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

The outlook for the gases industry is mixed. While on one hand, the Indian economy continues to grow at a fast pace there is pressure on traditional consuming sectors of gases such as steel and metals. Sectors such as Pharmaceuticals continue to do well providing a robust market for gases. Inflation remains a big threat to the overall growth of the economy. Gases being a strong indicator of the health of the economy as a whole, should witness cautions growth.

## OPPORTUNITIES AND THREATS

Your Company has identified pharmaceuticals and bulk drugs as a focus industry. We see a growing market for gases in this sector and are working towards increasing our volumes.

The third Air Separation plant project of the Company is under implementation to cater specifically to this sector. With a number of large scale mega projects under construction, the packaged gases requirement should also be strong. The growing medical market is another thrust area for the company. The company has also seen good response to its efforts to develop application for its products in areas such as food freezing and specialized welding.

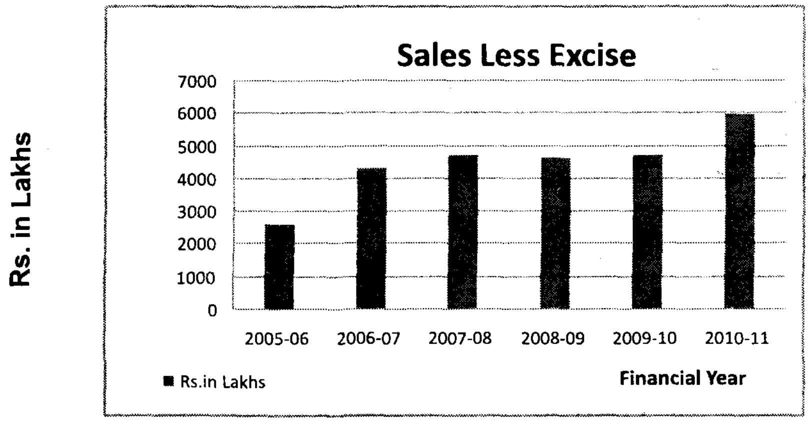
Inflation remains a big threat not only for gases sector but for the economy as a whole. The liberalisation of diesel prices could exert an upward push to the transportation and distribution costs of the company. Inflation of coal prices may result in higher power prices for the company. Lastly, addition of capacities by consumers through on-site plants may reduce consumption of certain customers.

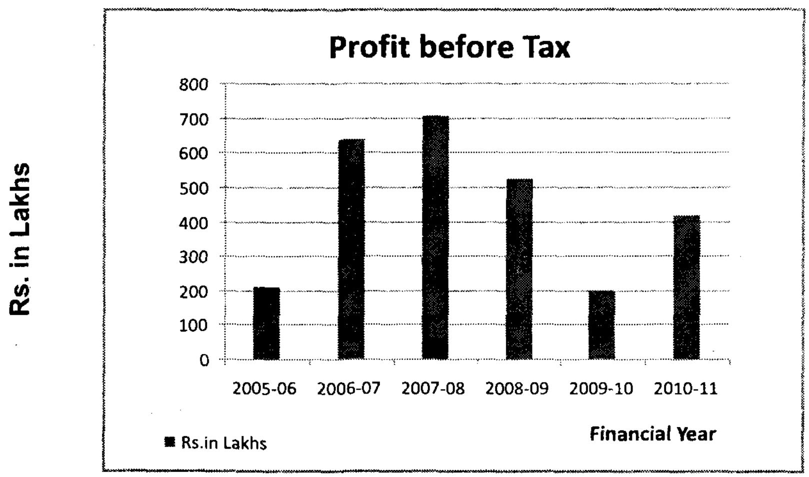
## MANAGEMENT STRATEGY

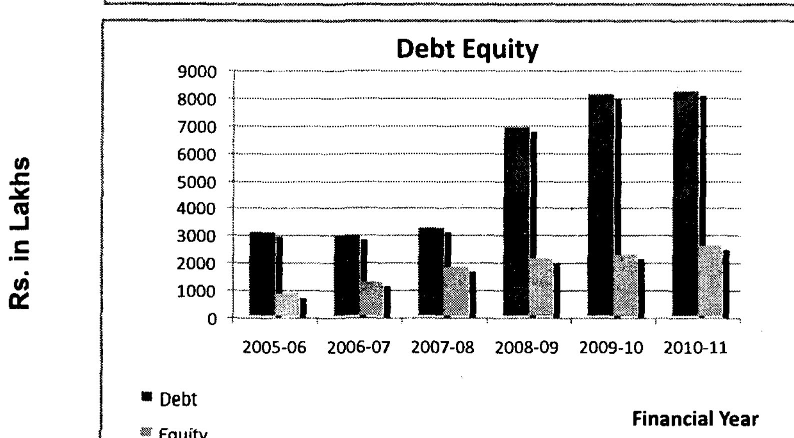
The management will continue to follow a strategy of diversifying its customer portfolio and reducing dependence on traditional sectors such as Steel. The customer mix today is much more diverse than few years ago and in couple of years time, the management expects traditional sectors to account for less than 50% of the volume. The management is also focusing on application development. This has two fold benefit - a steady market for its products and additional revenue stream through selling of hardware. On the costs front, in order to counter the inflation threat, the management will pursue a strong programme of cost-optimisation.

## PRODUCTION AND SALES PERFORMANCE

Particulars in respect of goods manufactured and sold during the financial year are available in Page No. 30 of the Annual Report for the year under Schedule - 19.


Rs. in Lakhs
Sales Less Excise
7000
6000
5000
4000
3000
2000
1000
0
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Rs.in Lakhs
Financial Year


Rs. in Lakhs
Profit before Tax
800
700
600
500
400
300
200
100
0
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Rs.in Lakhs
Financial Year


Rs. in Lakhs
Debt Equity
9000
8000
7000
6000
5000
4000
3000
2000
1000
0
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Debt
Equity
Financial Year

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### FINANCIAL PERFORMANCE

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

### HUMAN RESOURCES

During the year employer / employee relationship remained coordial.

### DISCLAIMER

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

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In accordance with Clause 49 of listing agreement entered with The Calcutta Stock Exchange Ltd., the details of compliance by the Company with the norms of Corporate Governance are as under :

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

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 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 | Yes |
| 2. | Shri Padam Kumar Agarwala | Joint Managing Director | 14 | 05 | Yes |
| 3. | Shri Indrajit Mookerjee | Joint Managing Director | 14 | — | Yes |
| 4. | Shri Varun Agarwal | Executive Director | 08 | 01 | Yes |
| 5. | Shri Ajit Khandelwal | Non-Executive & Independent | 07 | 05 | No |
| 6. | Shri Manas Kumar Dutta | Non-Executive & Independent | 11 | 03 | Yes |
| 7. | Shri Sovan Kumar Dutta | Nominee Director & Independent | 02 | — | No |
| 8. | Shri Rajesh Jhunjhunwala | Non-Executive & Independent | 09 | — | No |

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) The 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 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

b) Composition of the Audit Committee :

As on 31-03-2011 the composition of the Audit Committee was as under :

i) Shri Manas Kumar Dutta (Chairman)
ii) Shri Shanti Prasad Agarwala (Member)
iii) Shri Rajesh Jhunjhunwaia (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 5 Meetings of the Audit Committee held during the year on 30th April, 2010, 31st July, 2010, 4th September, 2010, 30th October, 2010 and 31st January, 2011.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 30th September, 2010.

**REMUNERATION COMMITTEE**

The Remuneration Committee comprised of three Directors namely (a) Shri Manas Kumar Dutta (b) Shri Ajit Khandelwal (c) Shri Rajesh Jhunjhunwaia. Shri Manas Kumar Dutta is the Chairman 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, 2011 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 | 14,40,000 | — | 14,40,000 |
| 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 | 22,000 |
| Shri Ajit Khandelwal | 14,000 |
| Shri Rajesh Jhunjhunwala | 18,000 |
| Shri Sovan Kumar Dutta | — |

## 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 is the Chairman of the Committee. During the period under review no complaints were received from investors. As on 31st March, 2011 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, 2011. 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, 2011 Friday, at 3 P.M. |
| Venue | : THE CONCLAVE (Rose Room) 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 |
| Financial Year | : 2010 - 2011 |
| Book Closure | : From 20th September, 2011 to 30th September, 2011 |
| Dividend payment date | : On or after 5th October, 2011 |
| 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 |
|---|---|---|
| 2009 - 2010 | 30-09-2010 04.00 P.M. | CONCLAVE (ROSE ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017 |
| 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 |

II) EXTRA ORDINARY GENERAL MEETING :

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

### SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2010 to 31-03-2011, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2010 - March, 2011. 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 | 571.50 | 471.00 | 70 |
| May | 525.00 | 453.00 | 444 |
| June | 450.00 | 419.00 | 51 |
| July | 495.00 | 437.25 | 44 |
| August | 425.00 | 416.00 | 235 |
| September | 425.00 | 425.00 | 7 |
| October | 491.25 | 446.25 | 26 |
| November | 491.50 | 491.50 | 2 |
| December | 514.90 | 514.90 | 100 |
| January | 539.65 | 515.90 | 6 |
| February | 539.00 | 539.00 | 1 |
| March | 564.00 | 539.00 | 23 |

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

| No. of Shares | No. of Shareholders | % of Shareholders | No. of Shares held | Value of Shares | % of Shareholding |
|---|---|---|---|---|---|
| 1-500 | 139 | 74.34 | 9,715 | 97,150 | 0.15 |
| 501-1,000 | 7 | 3.74 | 6,118 | 61,180 | 0.09 |
| 1,001-2,000 | 6 | 3.21 | 10,700 | 1,07,000 | 0.16 |
| 2,001-3,000 | — | — | — | — | — |
| 3,001-4,000 | — | — | — | — | — |
| 4,001-5,000 | 2 | 1.07 | 9,925 | 99,250 | 0.15 |
| 5,001-10,000 | 3 | 1.60 | 22,200 | 2,22,000 | 0.34 |
| 10,001-50,000 | 7 | 3.74 | 1,58,670 | 15,86,700 | 2.42 |
| 50,001-1,00,000 | 8 | 4.28 | 5,15,200 | 51,52,000 | 7.87 |
| 1,00,001-and above | 15 | 8.02 | 58,14,252 | 5,81,42,520 | 88.82 |
| **TOTAL** | **187** | **100.00** | **65,46,780** | **6,54,67,800** | **100.00** |

### STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011

| 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 | 15 | 12,74,635 | 19.47 |
| Indian Public | 163 | 24,40,565 | 37.28 |
| NRI / OCB / Foreign National | — | — | — |
| Central Govt. / State Govt. | 01 | 40,500 | 0.62 |
| **Total No. of Non promoter Holding** | **179** | **37,55,700** | **57.37** |
| **Grand Total** | **183** | **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.

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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, 2011.

On behalf of the Board
S. P. AGARWALA
Chairman

Kolkata
Dated : 3rd day of September , 2011

# 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, 2011, 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 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 : 3rd day of September , 2011

# AUDITORS' REPORT

## TO THE MEMBERS

I have audited the attached Balance Sheet of ELLENBARRIE INDUSTRIAL GASES LIMITED as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

I report that :

i) a) The Company maintains proper records showing full particulars, including quantitative details and situation of Fixed Assets. However, the same has not been updated for the year.

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. 27,26,158/- 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.

d) There is no overdue amount of more than rupees one lakh as the loan is repayable on demand.

iv) a) The Company has taken loans from parties covered in the register maintained under Section 301 of the Act. The number of parties and amount involved are THREE and Rs.1,02,50,000/-.

b) The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.

c) The payment of principal and interest are regular.

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.

## AUDITORS' REPORT (Contd.)

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

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

Further to my comments, I report that :

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

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

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

iv) **In my opinion, Subject to non compliance of AS 15: Re: Retirement Benefits ; Re: Gratuity and non compliance of AS 22 : Re : Deferred Tax, as prescribed by the Institute of Chartered Accountants of India, 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, 2011 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2011 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, 2011 ;

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 : 3rd day of September , 2011

## BALANCE SHEET AS AT 31ST MARCH, 2011

| SOURCES OF FUNDS | Schedule | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|---|
| **Shareholders' Funds** | | | |
| Share Capital | 1 | 6,54,67,800 | 6,54,67,800 |
| Reserves & Surplus | 2 | 19,17,17,589 | 16,20,20,925 |
| | | 25,71,85,389 | 22,74,88,725 |
| **Loan Funds** | | | |
| Secured Loans | 3 | 76,41,00,609 | 77,64,75,809 |
| Unsecured Loans | 4 | 5,89,07,131 | 3,51,57,131 |
| | | 82,30,07,740 | 81,16,32,940 |
| Deferred Tax Liability (Net) | | 89,80,267 | 89,80,267 |
| Total | | **1,08,91,73,396** | **1,04,81,01,932** |
| **APPLICATION OF FUND** | | | |
| **Fixed Assets** | | | |
| Gross Block | 5 | 1,33,49,59,075 | 1,27,60,51,859 |
| Less : Depreciation | | 40,61,65,269 | 36,86,27,067 |
| Net Block | | 92,87,93,806 | 90,74,24,792 |
| **Investments** | 6 | 83,40,000 | 83,40,000 |
| **Current Assets, Loans & Advances** | | | |
| Inventories | 7 | 5,82,81,098 | 7,09,13,725 |
| Sundry Debtors | 8 | 14,30,08,548 | 10,77,30,640 |
| Cash & Bank Balances | 9 | 3,50,76,761 | 3,34,69,650 |
| Loans & Advances | 10 | 10,76,26,340 | 10,47,09,885 |
| | | 34,39,92,747 | 31,68,23,900 |
| **Less : Current Liabilities & Provisions** | | | |
| Liabilities | 11 | 14,01,97,634 | 14,18,63,469 |
| Provisions | 12 | 5,17,55,523 | 4,26,23,291 |
| | | 19,19,53,157 | 18,44,86,760 |
| Net Current Assets | | 15,20,39,590 | 13,23,37,140 |
| Total | | **1,08,91,73,396** | **1,04,81,01,932** |
| 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 : 3rd day of September, 2011

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
*Directors*
A. K. BANDYOPADHYAY
*Secretary*

# PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | Year ended 31.03.2011 Rs. | Year ended 31.03.2010 Rs. |
|---|---|---|---|
| **INCOME** | | | |
| Sales | 13 | 64,05,43,541 | 49,73,25,416 |
| Less : Excise Duty | | 4,37,69,708 | 2,46,58,044 |
| | | 59,67,73,833 | 47,26,67,372 |
| Operating Income | 14 | 4,79,09,616 | 2,11,42,406 |
| Other Income | 15 | 1,45,92,047 | 1,66,58,242 |
| Closing Stock of Goods | | 4,64,68,176 | 6,10,60,284 |
| Closing Stock of Shares | | 7,74,907 | 7,74,907 |
| | | 70,65,18,579 | 57,23,03,211 |
| **EXPENDITURE** | | | |
| Opening Stock of Goods | | 6,10,60,284 | 1,34,04,870 |
| Opening Stock of Shares | | 7,74,907 | 7,94,748 |
| Purchase of Trading Goods | | 9,04,59,183 | 15,61,77,988 |
| Raw Materials Consumed | | 1,92,73,903 | 1,81,15,084 |
| Power Consumption | | 26,49,07,890 | 13,38,80,776 |
| Production, Manufacturing & Maintenance Expenses | 16 | 1,68,83,967 | 1,98,38,916 |
| Payment to & Provision for Employees | 17 | 3,78,50,105 | 2,79,44,943 |
| Administrative, Selling & Other Expenses | 18 | 5,49,62,839 | 3,95,22,725 |
| Excise Duty | | 12,80,199 | 8,82,345 |
| Interest | | 7,84,43,757 | 6,63,61,313 |
| Depreciation | | 3,86,30,465 | 7,52,98,364 |
| | | 66,45,27,499 | 55,22,22,072 |
| Profit before Taxation | | 4,19,91,080 | 2,00,81,139 |
| Less : Provision for Taxation - Current | | 84,90,000 | 35,80,000 |
| | | 3,35,01,080 | 1,65,01,139 |
| Add : Balance as per last account | | 1,41,32,223 | 14,60,787 |
| Surplus Available for Appropriation | | 4,76,33,303 | 1,79,61,926 |
| Less : Proposed Dividend | | 32,73,390 | 32,73,390 |
| Tax on Proposed Dividend | | 5,31,026 | 5,56,313 |
| Transfer to General Reserve | | 1,40,00,000 | — |
| Balance Carried to Schedule 2 | | 2,98,28,887 | 1,41,32,223 |
| Notes to Accounts | 19 | | |
| Earning per Share (Rs.) Basic and Diluted (Face Value Rs. 10/-) | | 5.12 | 2.52 |

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 : 3rd day of September, 2011

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
*Directors*
A. K. BANDYOPADHYAY
*Secretary*

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

| | As at 31.03.2011 Rs. | As at 31.03.2010 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 | 14,41,644 | 3,19,900 |
| Add : Surplus from acquisition of land | — | 11,21,744 |
| | 14,41,644 | 14,41,644 |
| **Capital Redemption Reserve** | | |
| As per last account | 6,00,000 | 6,00,000 |
| **General Reserve** | | |
| As per last account | 13,73,17,243 | 13,73,17,243 |
| Add : Transfer from Profit & Loss Account | 1,40,00,000 | — |
| Add : Deferred Tax Asset (As per last account) | 85,29,815 | 85,29,815 |
| | 15,98,47,058 | 14,58,47,058 |
| **Profit & Loss A/c Credit Balance** | 2,98,28,887 | 1,41,32,223 |
| | 19,17,17,589 | 16,20,20,925 |
| **SCHEDULE - 3** | | |
| **SECURED LOANS** | | |
| **Term Loans** | | |
| From Bank of Baroda | 50,75,91,963 | 53,36,84,134 |
| (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.) | | |
| From West Bengal Financial Corporation | 5,00,00,000 | 4,32,00,000 |
| (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme) | | |
| Interest due on Term Loan | 56,66,012 | 48,59,320 |
| **Cash Credit** | | |
| From Bank of Baroda | 19,73,23,847 | 19,44,68,887 |
| (Secured by hypothecation of Stocks and Book Debts and personal guarantee of some Directors) | | |
| **Others** | | |
| From Tata Motor Truck Loan | 33,74,706 | — |
| From HDFC Bank | 1,44,081 | 2,63,468 |
| (Secured against hypothecation of vehicles) | | |
| | 76,41,00,609 | 77,64,75,809 |

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

## SCHEDULE - 4
### UNSECURED LOANS

| | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|
| From Body Corporates | 4,86,57,131 | 3,51,57,131 |
| From Directors | 1,02,50,000 | — |
| | 5,89,07,131 | 3,51,57,131 |

## SCHEDULE - 5
### DETAILS OF FIXED ASSETS

| DESCRIPTION | COST | | | | DEPRECIATION | | | | BALANCE | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2010 Rs. | Additions Rs. | Adjustment Rs. | As at 31.03.2011 Rs. | As at 01.04.2010 Rs. | Additions Rs. | Adjustment Rs. | As at 31.03.2011 Rs. | As at 31.03.2011 Rs. | As at 31.03.2010 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 | 5,40,85,303 | 38,435 | — | 5,41,23,738 | 58,31,683 | 16,72,742 | — | 75,04,425 | 4,66,19,313 | 4,82,53,620 |
| Furniture | 35,88,891 | 2,54,300 | — | 38,43,191 | 11,14,875 | 3,95,681 | — | 15,10,556 | 23,32,635 | 24,74,016 |
| Plant & Machinery | 77,29,98,053 | 2,12,74,907 | — | 79,42,72,960 | 12,05,30,120 | 3,67,62,453 | — | 15,72,92,573 | 63,69,80,387 | 65,24,67,933 |
| Motor Car | 77,90,354 | 5,31,720 | 15,22,723 | 67,99,351 | 42,46,634 | 8,99,336 | 10,92,263 | 40,53,707 | 27,45,644 | 35,43,720 |
| Electric Installation | 6,40,78,739 | — | — | 6,40,78,739 | 50,09,625 | 28,95,379 | — | 79,05,004 | 5,61,73,735 | 5,90,69,114 |
| Office Equipment | 15,30,786 | 57,749 | — | 15,88,535 | 7,30,308 | 1,16,001 | — | 8,46,309 | 7,42,226 | 8,00,478 |
| Truck | 13,59,570 | 49,25,625 | — | 62,85,195 | 10,68,508 | 8,19,226 | — | 18,87,734 | 43,97,461 | 2,91,062 |
| Cylinder | 15,69,54,055 | — | — | 15,69,54,055 | 11,59,91,868 | 80,42,230 | 1,56,59,313 | 10,83,74,785 | 4,85,79,270 | 4,09,62,187 |
| Tanker | 16,30,04,603 | 1,46,49,320 | — | 17,76,53,923 | 10,98,54,929 | 1,50,62,569 | 1,36,39,963 | 11,12,77,535 | 6,63,76,388 | 5,31,49,674 |
| Storage Tank | 68,45,314 | 74,86,988 | — | 1,43,32,302 | 2,04,708 | 5,33,058 | — | 7,37,766 | 1,35,94,536 | 66,40,606 |
| Computer | 41,13,053 | 4,55,721 | — | 45,68,774 | 25,18,589 | 6,50,183 | — | 31,68,772 | 14,00,002 | 15,94,464 |
| Howrah Shed | 16,22,675 | — | — | 16,22,675 | 12,19,571 | 40,310 | — | 12,59,881 | 3,62,794 | 4,03,104 |
| Howrah Flat | 1,70,817 | — | — | 1,70,817 | — | — | — | — | 1,70,817 | 1,70,817 |
| Motor Cycle | 1,44,035 | — | — | 1,44,035 | 59,616 | 13,600 | — | 73,216 | 70,819 | 84,419 |
| Tube well | 5,13,974 | — | — | 5,13,974 | 2,44,240 | 26,973 | — | 2,71,213 | 2,42,761 | 2,69,734 |
| Work-in-progress | — | 85,47,008 | — | 85,47,008 | — | — | — | — | 85,47,008 | — |
| Total | 1,27,54,64,586 | 5,82,21,773 | 15,22,723 | 1,33,21,63,636 | 36,86,27,067 | 6,79,29,741 | 3,03,91,539 | 40,61,65,269 | 92,59,98,367 | 90,68,37,519 |
| Intangible assets Computer Software | 5,87,273 | 27,95,439 | 5,87,273 | 27,95,439 | — | — | — | — | 27,95,439 | — |
| Total as on 31.03.2011 | 1,27,60,51,859 | 6,10,17,212 | 21,09,996 | 1,33,49,59,075 | 36,86,27,067 | 6,79,29,741 | 3,03,91,539 | 40,61,65,269 | 92,87,93,806 | — |
| 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 |

## SCHEDULE - 6
### INVESTMENT (AT COST)

| | | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|---|
| **Shares (UNQUOTED)** | | | |
| (Under the same management) | | | |
| 5,88,000 | Fully paid Equity Shares of Rs. 10 each in Lorch Eilenbarrie Welding Products Pvt. Ltd. | 58,80,000 | 58,80,000 |
| 4,500 | Fully paid Equity Shares of Rs. 10 each in Gunjan Properties Pvt. Ltd. | 45,000 | 45,000 |
| 2,40,000 | Fully paid Equity Shares of Rs. 10 each in Varun Tea Plantations 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 | 83,40,000 |

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

## SCHEDULE - 7
**INVENTORIES**

| | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|
| (As taken, valued and certified by the Management) | | |
| Stores & Spare Parts (At cost) | 75,04,640 | 72,12,834 |
| Raw Materials (At cost) | 35,33,375 | 18,65,700 |
| Trading Goods (At cost) | 2,38,19,145 | 5,69,84,291 |
| Manufactured Goods (At lower of cost or net realisable value) | 2,26,49,031 | 40,75,993 |
| Shares & Securities (At lower of cost or net realisable value) | 7,74,907 | 7,74,907 |
| (As per Schedule - 7A) | 5,82,81,098 | 7,09,13,725 |

## SCHEDULE - 7A
**STOCK OF SHARES AND SECURITIES**

| NO. OF SHARES | FACE VALUE Rs. | NAME OF THE BODY CORPORATES | As at 31.03.2011 Rs. | As at 31.03.2010 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 Corporation Ltd. | 5,513 | 5,513 |
| 100 | 10 | Glaxosmithkline Pharmaceuticals Ltd. | 8,500 | 8,500 |
| 3,500 | 10 | Origin Agrostar 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, 2011

## SCHEDULE - 7A (Contd.)

**STOCK OF SHARES AND SECURITIES**

| NO. OF SHARES | FACE VALUE Rs. | NAME OF THE BODY CORPORATES | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|---|---|
| | | **Quoted-At Lower of cost or market value** | | |
| | | (Fully paid up Equity Shares) | | |
| 500 | 10 | Nagarjuna Fertilisers & Chemicals 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 Ltd. | 426 | 426 |
| 45 | 10 | Reliance Enterprises Ltd. | 9,000 | 9,000 |
| 200 | 10 | Reliance Polythelene Ltd. | 2,500 | 2,500 |
| 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 | 7,74,907 |

## SCHEDULE - 8

| | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|
| **SUNDRY DEBTORS** | | |
| **Unsecured ; Considered Good** | | |
| Debts due for a period over six months | 2,25,92,738 | 64,98,271 |
| Other Debts | 12,04,15,810 | 10,12,32,369 |
| | 14,30,08,548 | 10,77,30,640 |

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

| | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|---|---|---|
| **SCHEDULE - 9** | | |
| **CASH & BANK BALANCES** | | |
| Cash in hand | 4,43,765 | 2,16,047 |
| Balance with Scheduled Banks : | | |
| In Current Account (Unconfirmed Rs. 2,39,880) | 19,84,844 | 16,34,134 |
| In Margin Deposit Account | 3,26,48,152 | 3,16,19,469 |
| | 3,50,76,761 | 3,34,69,650 |

## SCHEDULE - 10

**LOANS & ADVANCES**

| | | |
|---|---|---|
| (Unsecured, Considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 5,13,91,519 | 6,63,29,068 |
| Loans to Body Corporate | 27,26,158 | 43,62,492 |
| Tax paid in advance and at source | 3,54,54,875 | 3,21,65,464 |
| Deposit for office premises | 4,25,000 | 4,25,000 |
| Deposit for Power (Vizag) | 1,49,76,600 | — |
| Deposit | 26,52,188 | 14,27,861 |
| | 10,76,26,340 | 10,47,09,885 |

## SCHEDULE - 11

**CURRENT LIABILITIES**

| | | |
|---|---|---|
| Sundry Creditors | 6,04,89,122 | 7,18,09,157 |
| Deposit from Customers | 7,97,08,512 | 7,00,54,312 |
| | 14,01,97,634 | 14,18,63,469 |

## SCHEDULE - 12

**PROVISIONS**

| | | |
|---|---|---|
| Tax provision | 4,28,81,451 | 3,43,91,451 |
| Proposed Dividend | 32,73,390 | 32,73,390 |
| Tax provision on Dividend | 5,31,026 | 5,56,313 |
| Provision for Bonus | 4,00,000 | 3,09,838 |
| Leave Encashment | — | 61,718 |
| Gratuity | 25,82,241 | 27,31,788 |
| Fringe Benefit Tax | 8,07,216 | 8,07,216 |
| Central Excise Duty | 12,80,199 | 4,91,577 |
| | 5,17,55,523 | 4,26,23,291 |

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Year Ended 2010-11 Rs. | Year Ended 2009-10 Rs. |
|---|---|---|
| **SCHEDULE - 13** | | |
| **SALES** | | |
| Manufactured Goods | 50,82,73,337 | 35,62,12,784 |
| Less : Excise Duty | 4,37,69,708 | 2,46,58,044 |
| Net Sales | 46,45,03,629 | 33,15,54,740 |
| Trading Goods | 13,22,70,204 | 14,11,12,632 |
| | 59,67,73,833 | 47,26,67,372 |
| **SCHEDULE - 14** | | |
| **OPERATING INCOME** | | |
| Income from Operation | 4,79,09,616 | 2,11,42,406 |
| (Tax deducted at source Rs. 5,24,721;Previous Year Rs. 7,52,032) | | |
| | 4,79,09,616 | 2,11,42,406 |
| **SCHEDULE - 15** | | |
| **OTHER INCOME** | | |
| Interest (Gross) | | |
| From Bank | 25,22,506 | 31,72,589 |
| From Others | — | 20,855 |
| (Tax deducted at source Rs. 2,52,251;Previous Year Rs. 4,29,124) | | |
| Dividend | 9,211 | 5,046 |
| Profit on Sale of Fixed Assets | — | 96,04,312 |
| Miscellaneous Income | 97,156 | 12,54,114 |
| Sundry Credit balances written back | 1,19,54,684 | 21,54,537 |
| Insurance Claim | 8,490 | 4,46,789 |
| | 1,45,92,047 | 1,66,58,242 |
| **SCHEDULE - 16** | | |
| **PRODUCTION, MANUFACTURING & MAINTENANCE EXPENSES** | | |
| Consumable Stores | 50,95,553 | 50,14,999 |
| Repairs to Building | 4,89,536 | 6,81,150 |
| Repairs to Machinery | 63,80,079 | 1,22,17,402 |
| Other Repairs | 49,18,799 | 19,25,365 |
| | 1,68,83,967 | 1,98,38,916 |
| **SCHEDULE - 17** | | |
| **PAYMENT TO & PROVISION FOR EMPLOYEES** | | |
| Salary, Wages & Bonus | 3,02,02,240 | 2,12,09,657 |
| Contribution to ESI | 1,31,570 | 1,27,299 |
| Contribution to P.F. | 3,23,916 | 2,89,548 |
| Labour & Staff Welfare | 14,32,379 | 5,58,439 |
| Directors Remuneration | 57,60,000 | 57,60,000 |
| | 3,78,50,105 | 2,79,44,943 |
| **SCHEDULE - 18** | | |
| **ADMINISTRATIVE, SELLING & OTHER EXPENSES** | | |
| Rent | 4,93,680 | 4,89,650 |
| Rates & Taxes | 10,16,890 | 12,20,428 |
| Miscellaneous Expenses | 3,59,39,576 | 2,52,94,768 |
| Insurance | 25,89,524 | 21,56,420 |
| Travelling & Conveyance | 34,85,701 | 44,42,333 |
| Auditors Remuneration | 1,10,637 | 82,510 |
| Selling Expenses | 1,06,40,098 | 51,93,344 |
| Loss on sale of Assets | 45,460 | — |
| Write off of computer software | 5,87,273 | 5,87,272 |
| Directors' Fees | 54,000 | 56,000 |
| | 5,49,62,839 | 3,95,22,725 |

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

## SCHEDULE - 19

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

| | | CAPACITY (Cu.m. in Million) | | PRODUCTION (Cu.m.) | |
|---|---|---|---|---|---|
| Class of Goods | | Licensed | Installed | 2010-2011 | 2009-2010 |
| a) | Oxygen | 26.000 | 26.000 | 3,33,14,455.69 | 2,54,17,532.000 |
| b) | Acetylene | 1.000 | 1.000 | 87,864.46 | 90,749.500 |
| c) | Nitrogen | 15.000 | 15.000 | 2,34,35,594.25 | 1,46,40,006.710 |
| d) | Special (High Purity) Gases & Gas Mixture | 0.220 | 0.220 | 52,119.5 | 43,022.000 |
| e) | Argon | 6.000 | 6.000 | 2,07,668.84 | 1,54,403.960 |
| f) | Argoshield | 1.000 | 1.000 | — | — |
| g) | Medical Oxygen | 1.000 | 1.000 | 2,73,348.82 | 1,98,150.470 |
| h) | Carbon-di-oxide (MT) | 0.002 | 0.002 | 9,76,706.1 | 4,49,904.500 |
| i) | Zero Air | — | — | 1,948 | 11,427.000 |
| j) | Dry Ice | — | — | 5,397 | |

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

| | | 2010 - 2011 | | 2009 - 2010 | |
|---|---|---|---|---|---|
| Description | Class of Goods | Quantity (Cu.m.) | Value Rs. | Quantity (Cu.m.) | Value Rs. |
| Opening 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 |
| Sales | Oxygen | 3,21,46,095.000 | 24,24,41,162 | 2,53,79,246.000 | 17,80,69,152 |
| | Nitrogen | 2,31,13,424.100 | 17,67,35,275 | 1,46,08,880.130 | 12,32,21,541 |
| | Argon | 2,09,655.410 | 1,17,87,459 | 1,51,740.000 | 78,87,507 |
| | Gas Mixture | 51,728.500 | 32,17,095 | 42,498.000 | 29,69,608 |
| | Acetylene | 87,145.160 | 1,33,62,645 | 90,452.200 | 1,26,03,072 |
| | Medical Oxygen | 2,73,076.210 | 52,52,505 | 1,98,151.750 | 36,22,694 |
| | Carbon-di-oxide | 9,12,572.000 | 1,07,76,185 | 4,06,332.100 | 16,23,091 |
| | Zero Air | 1,948.000 | 5,85,492 | 11,427.000 | 2,58,075 |
| | Tank | | | 1 | 13,00,000 |
| | Dry Ice | 5,397.000 | 3,45,811 | — | — |
| Closing Stock | Oxygen | 25,35,539.700 | 1,68,14,735 | 1,25,947.000 | 7,40,330 |
| | Nitrogen | 6,96,463.000 | 51,51,470 | 32,500.580 | 23,94,036 |
| | Argon | 9,437.430 | 2,89,818 | 4,097.000 | 3,00,915 |
| | Acetylene | 1,469.000 | 1,02,492 | 749.700 | 1,01,212 |
| | Medical Oxygen | 402.730 | 11,558 | 130.120 | 2,762 |
| | Carbon-di-oxide | 1,07,916.500 | 2,13,258 | 43,782.400 | 5,29,238 |
| | Gas Mixture | 945.000 | 65,700 | 554.000 | 7,500 |

Notes : Closing Stock of Oxygen, Nitrogen and Argon includes semi-finished goods.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

## SCHEDULE - 19 (Contd.)

### 3. Particulars of Goods traded in :

| Class of Goods | UNIT | 2010-2011 QUANTITY | 2010-2011 AMOUNT (Rs.) | 2009-2010 QUANTITY | 2009-2010 AMOUNT (Rs.) |
|---|---|---|---|---|---|
| **A) OPENING 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 (in transit) | Lt. | — | — | 8,184 | 45,585 |
| Others | — | — | 70,356 | — | — |
| **B) PURCHASE** | | | | | |
| Sheet & Steel Materials | MT | 3,841.11 | 8,65,22,080 | 7,361.930 | 14,96,61,655 |
| Hydrogen | Cu.m. | 496.600 | 16,821 | 169.200 | 7,123 |
| Carbon-di-Oxide | Kg. | 2,36,665 | — | 2,95,346.000 | — |
| Nitrous Oxide | Cu.m. | 367.14 | 55,915 | 394.980 | 70,340 |
| Liquid Nitrogen | Lt. | — | — | 34,601.600 | — |
| Engineering Goods | No. | — | — | — | 70,356 |
| Helium Gas | Cu.m. | 260 | 1,17,006 | 322.000 | 1,44,990 |
| Dissolved Acetylene | Cu.m. | — | — | 8,022.800 | — |
| Tank | No. | — | — | 1 | 14,90,465 |
| Others (PVC Resin) | MT | — | — | 108.000 | 47,33,059 |
| Liquid Argon | Cu.m. | 316.99 | 37,47,361 | — | — |
| **C) SALES** | | | | | |
| Sheet & Steel Materials | MT | 5,093.58 | 12,50,60,258 | 5,861.360 | 12,78,19,701 |
| Hydrogen | Cu.m. | 496.600 | 45,073 | 272.600 | 24,276 |
| Carbon-di-Oxide | Kg. | 2,35,015 | 12,01,491 | 2,94,969.000 | 40,99,529 |
| Nitrous Oxide | Cu.m. | 365.4 | 66,360.03 | 484.080 | 86,880 |
| Liquid Nitrogen | MT | — | — | 41,470.000 | 7,03,955 |
| Tank | No. | — | — | 1 | 16,00,000 |
| Helium Gas | Cu.m. | 200.5 | 2,34,500 | 400.000 | 3,83,200 |
| Dissolved Acetylene | Cu.m. | — | — | 7,800.000 | 14,11,431 |
| Others (PVC Resin) | MT | — | — | 108.000 | 49,83,660 |
| Liquid Argon | Cu.m. | 316.99 | 56,62,522 | — | — |
| **D) CLOSING STOCK** | | | | | |
| Sheet & Steel Materials | MT | 674.14 | 2,37,36,325 | 1,926.610 | 5,69,03,093 |
| Carbon-di-Oxide | Kg. | 1,650 | 18,150 | — | — |
| Nitrous Oxide | Cu.m. | 10.44 | 1,670 | 8.700 | 1,392 |
| Helium Gas | Cu.m. | 70 | 63,000 | 10.500 | 9,450 |
| Engineering Goods | No. | — | — | — | 70,356 |
| **E) WASTAGE/OWN CONSUMPTION** | | | | | |
| Carbon-di-Oxide | Kg. | — | — | 1,658 | — |

Note : Sales quantities exclude inter-unit transfer.

## SCHEDULE - 19 (Contd.)

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

| | 2010 - 2011 Quantity | 2010 - 2011 Value (Rs.) | 2009- 2010 Quantity | 2009- 2010 Value (Rs.) |
|---|---|---|---|---|
| Indigenous | 4,36,596 Cu.m. | 79,91,758 | 8,56,209 Cu.m. | 79,25,500 |
| | 10,98,695 Kg | 86,06,767 | 3,28,505 Kg | 19,71,031 |
| Imported | 90,000 Kg | 26,75,378 | 1,49,300 Kg | 82,18,553 |

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

| | Value (Rs.) | Percentage | Value (Rs.) | Percentage |
|---|---|---|---|---|
| Indigenous | 78,84,832 | 68.71% | 1,66,16,075 | 96.40% |
| Imported | 35,90,800 | 31.29% | 6,16,326 | 3.60% |

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

| | 2010-2011 Rs. | 2009-2010 Rs. |
|---|---|---|
| a) Capital Goods | 74,23,074 | 1,61,03,642 |
| b) Trading Goods | 6,71,68,065 | 1,74,62,684 |
| c) Spares | 70,90,495 | 20,21,869 |
| d) Raw Material | 25,36,052 | 1,04,62,557 |

7. Miscellaneous Expenses do not include any expenses exceeding 1% of the total revenue or Rs. 5,000 whichever is higher.

| | | 2010-2011 | 2009-2010 |
|---|---|---|---|
| 8. Earnings in Foreign Currency on FOB basis | | 24,74,640 | 17,46,084 |
| 9. Expenditure in Foreign Currency : | Travelling | 1,34,435 | 2,39,900 |
| | Trading Goods | 6,71,68,065 | 1,74,62,684 |
| | Raw Materials | 25,36,052 | 7,74,971 |
| | Spares | 70,90,495 | 20,21,869 |
| | Capital Goods | 74,23,074 | 1,61,03,642 |
| 10. Dividend remittance to non-resident shareholders | | NIL | NIL |
| 11. Employees employed throughout the year drawing remuneration not less than Rs. 60,00,000 per annum | | NIL | NIL |
| 12. Employees employed part of the year drawing remuneration not less than Rs. 5,00,000 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. | 27,26,158 | 43,62,492 |

14. Auditors remuneration Rs. 1,10,637 includes Audit Fees Rs. 77,210 (Previous Year Rs. 55,150); Tax Audit Fees Rs. 12,360 (Previous Year Rs. 12,360); Internal Audit Fees Rs. 15,000 (Previous Year Rs. 15,000) and Rs. 6,067 (Previous Year Nil) in other capacity.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

## SCHEDULE - 19 (Contd.)

15. **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. 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.

## 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 :

| | 2010-11 | 2009-10 |
|---|---|---|
| Net Profit | 3,35,01,080 | 1,65,01,139 |
| Weighed average number of Equity Shares outstanding | 65,46,780 | 65,46,780 |
| Earning per Share - Basic & Diluted (Face Value of Rs. 10 each) | 5.12 | 2.52 |

18. 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.

19. 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.

NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

## SCHEDULE - 19 (Contd.)

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 | Key Management Personnel |
|---|---|---|
| Managerial Remuneration | | 57,60,000<br>(57,60,000) |
| Outstanding Balances as on 31.03.2010 Receivables | 52,12,158<br>(68,48,492) | |

20. 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, 2011

## SCHEDULE - 19 (Contd.)

### SEGMENT REPORTING

| PARTICULARS | Year ended 31.03.2011 | Year ended 31.03.2010 |
|---|---|---|
| REVENUE EXTERNAL (NET OF EXCISE DUTY) | | |
| Gases and related products | 47,17,13,575 | 34,48,47,671 |
| Sheets | 12,50,60,258 | 12,78,19,701 |
| | **59,67,73,833** | **47,26,67,372** |
| DEPRECIATION | | |
| Gases and related products | 3,84,34,612 | 7,50,72,907 |
| Sheets | 1,95,853 | 2,25,457 |
| | **3,86,30,465** | **7,52,98,364** |
| PROFIT BEFORE TAX | | |
| Gases and related products | 3,66,19,670 | (23,58,293) |
| Sheets | 53,71,410 | 2,24,39,432 |
| | **4,19,91,080** | **2,00,81,139** |
| NET FIXED ASSETS | | |
| Gases and related products | 90,59,03,471 | 90,59,03,471 |
| Sheets | 15,21,321 | 15,21,321 |
| | **90,74,24,792** | **90,74,24,792** |
| CURRENT ASSETS | | |
| Gases and related products | 32,02,56,422 | 25,99,20,283 |
| Sheets | 2,37,36,325 | 5,69,03,617 |
| | **34,39,92,747** | **31,68,23,900** |
| CURRENT LIABILITIES | | |
| Gases and related products | 9,61,61,986 | 11,90,96,117 |
| Sheets | 4,40,35,648 | 2,27,67,352 |
| | **14,01,97,634** | **14,18,63,469** |
| CAPITAL EXPENDITURE | | |
| Gases and related products | 6,10,17,212 | 57,57,29,112 |
| Sheets | — | — |
| | **6,10,17,212** | **57,57,29,112** |

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

Signature to Schedules '1' to '21'

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 : 3rd day of September, 2011

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
*Directors*
A. K. BANDYOPADHYAY
*Secretary*

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | | | 31.03.2011 Rs. | 31.03.2010 Rs. |
|---|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| | Net profit before tax | | 4,19,91,080 | 2,00,81,139 |
| | **Adjustment for :** | | | |
| | Depreciation | | 3,86,30,465 | 7,52,98,364 |
| | Interest (Expenses) | | 7,84,43,757 | 6,63,61,313 |
| | Profit on sale of Fixed Assets | | 45,460 | (96,04,312) |
| | Dividend (income) | | (9,211) | (5,046) |
| | Interest (income) | | (25,22,506) | (31,93,444) |
| | Loss on sale of Investment | | — | — |
| | Write off Intangible Asset-Computer Software | | 5,87,273 | 5,87,272 |
| | **Operating profit before working capital changes** | | 15,71,66,318 | 14,95,25,286 |
| | Adjustments for : | | | |
| | Trade and other receivable | | (4,14,83,774) | (3,89,16,331) |
| | Inventories | | 1,26,32,627 | (5,38,10,327) |
| | Trade and other payables | | 30,06,214 | 6,27,95,059 |
| | Cash generated from operation | | 13,13,21,385 | 11,95,93,687 |
| | Direct Tax paid | | (32,89,411) | (10,96,360) |
| | Net Cash fromOperating Activities | (A) | 12,80,31,974 | 11,84,97,327 |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| | Purchase of Investment | | — | (59,25,000) |
| | Purchase of Fixed Assets | | (4,96,74,765) | (57,57,29,112) |
| | Capital Work-in-Progress | | (85,47,008) | 42,31,52,036 |
| | Sale of Fixed Assets | | 3,85,000 | 2,17,73,102 |
| | Sale of Investments | | — | — |
| | Interest received | | 25,22,506 | 31,93,444 |
| | Dividend received | | 9,211 | 5,046 |
| | Net Cash used in Investing Activities | (B) | (5,53,05,056) | (13,35,30,484) |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| | Proceeds from long term Borrowings | | 5,94,50,829 | 5,31,00,000 |
| | Increase in Cash Credit and other short term borrowings | | 2,74,11,652 | 7,23,09,727 |
| | Repayment of long term Borrowings | | (7,54,87,681) | (4,66,50,000) |
| | Payment of Interest | | (7,84,43,757) | (6,63,61,313) |
| | Payment of Gratuity | | (1,49,547) | (38,948) |
| | Payment of leave Salary | | (71,600) | (1,43,026) |
| | Payment of Dividend | | (32,73,390) | (65,46,780) |
| | Payment of Dividend Tax | | (5,56,313) | (11,12,626) |
| | Net Cash used in financing activities | (C) | (7,11,19,807) | 45,57,034 |
| | Net increase / decrease in cash and cash equivalent | (A+B+C) | 16,07,111 | (1,04,76,123) |
| | Opening cash and cash equivalents | | 3,34,69,650 | 4,39,45,773 |
| | Closing cash and cash equivalents | | 3,50,76,761 | 3,34,69,650 |

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A. K. BANDYOPADHYAY
*Secretary*

Dated : 3rd day of September, 2011

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 : 3rd day of September, 2011

## STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. 29102 State Code 21

Balance Sheet Date 31 (Date) 03 (Month) 2011 (Year)

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

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT Rs. IN THOUSANDS)

| | |
|---|---|
| Total Liabilities: 1281127 | Total Assets: 1281127 |

SOURCES OF FUNDS

| | |
|---|---|
| Paid-up Capital: 65468 | Reserves and Surplus*: 191721 |
| Secured Loans: 764101 | Unsecured Loans: 58907 |

APPLICATION OF FUNDS

| | |
|---|---|
| Net Fixed Assets: 928794 | Investments: 8340 |
| Net Current Assets: 152043 | Misc. Expenditure: NIL |
| Accumulated Losses: NIL | |

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

| | |
|---|---|
| Turnover: 706519 | Total Expenditure: 664527 |
| + ✓ -- Profit/(Loss) Before Tax: 41991 | + ✓ – Profit/(Loss) After Tax: 33501 |

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

| | |
|---|---|
| Earning Per Share (Rs.): 5.12 | Dividend Rate (%): 5 |

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

| Item Code No. (ITC Code) | Product Description |
|---|---|
| 280440 | OXYGEN |
| 280430 | NITROGEN |
| 280412 | ARGON |

For A. K. Kumar & Co.
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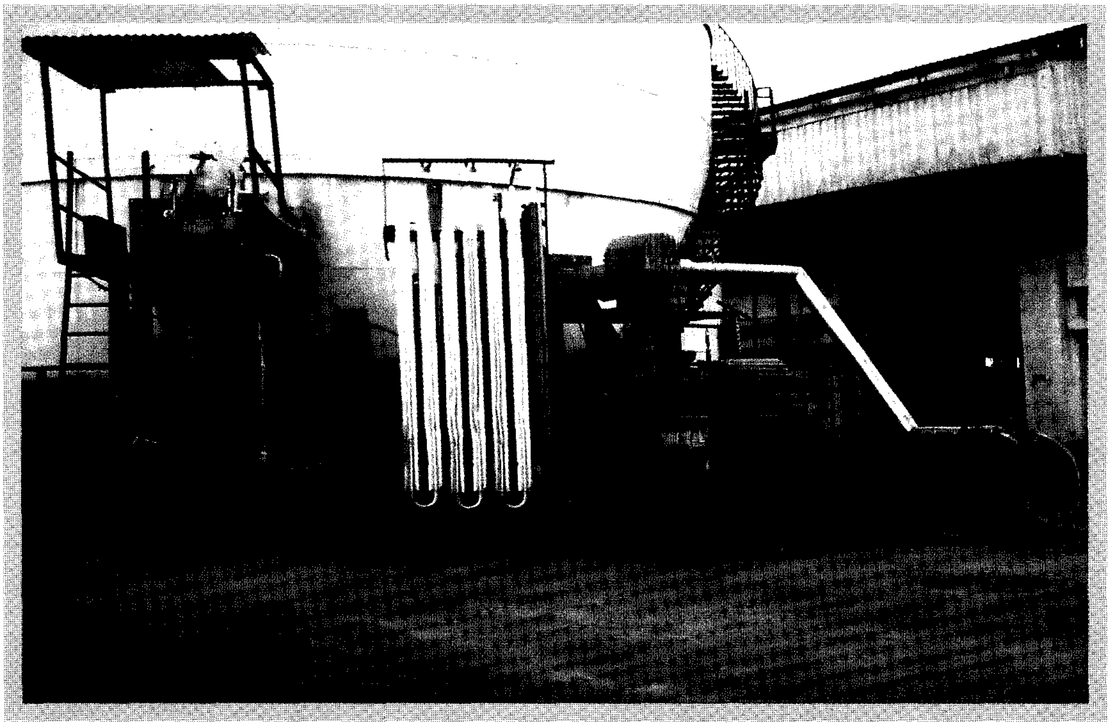
**ULUBERIA PLANT**



**ULUBERIA PLANT**