



**ELLENBARRIE
INDUSTRIAL GASES LTD**
A member of Air Water Inc. Group

Dated: July 11, 2016

The Corporate Relationship Manager
BSE Limited
Floor 25,
P J Towers
Dalal Street
Mumbai – 400 001

Dear Sir,

Re: Annual Report for the Financial year 2015-16

Please find enclose herewith the Annual report of the Company for the Financial Year 2015-16.

Please acknowledge receipt.

Thanking you,
Yours truly,
Ellenbarrie Industrial Gases Ltd

Company Secretary

Encl: As above



**ELLENBARRIE
INDUSTRIAL GASES LTD**

(A member of Air Water Inc. Group)

CIN : L24112WB1973PLC029102

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mrs. Priyanka Jaiswal Gupta

CHIEF FINANCIAL OFFICER

Mr. K. Srinivas Prasad

STATUTORY AUDITORS

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

AUDIT COMMITTEE

Shri Manas Kr. Dutta, *Chairman*
Shri Kensuke Yamamoto
Mrs. Anindita Guhamullick

RISK MANAGEMENT COMMITTEE

Shri Norio Shibuya, *Chairman*
Shri Ryosuka Matsubayashi
Shri Varun Agarwal
Shri K. Srinivas Prasad

**STAKEHOLDER'S RELATIONSHIP
COMMITTEE**

Shri Kensuke Yamamoto, *Chairman*
Shri Manas Kr. Dutta
Shri Norio Shibuya

NOMINATION & REMUNERATION COMMITTEE

Shri Manas Kr. Dutta, *Chairman*
Shri Swapan Kr. Bhowmik
Shri Kensuke Yamamoto

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

REGISTERED OFFICE

3A, Ripon Street, Kolkata - 700 016, W.B., India
Phone : +91 33 2229 2441 Fax : +91 33 2249 3396
E-mail : info@ellenbarrie.com

FACTORY

Kalyani Works

Block 'D', Plot No. - 25
Kalyani Industrial Estate
P.O. : Kalyani, Dist. : Nadia
West Bengal

Uluberia Works

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

Parwada Works

Plot No. 57A, J.N. Pharmacy
Parwada
Visakhapatnam
Andhra Pradesh



NOTICE

Notice is hereby given that the 42nd Annual General Meeting (AGM) of Ellenbarrie Industrial Gases Limited will be held on Wednesday, 3rd August, 2016 at 3.00 P.M. at The Conclave, 216, A.J.C. Bose Road, Kolkata - 700 017 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2016 together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a director in place of Mr. Ryosuke Matsubayashi (DIN : 06721947), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Kensuke Yamamoto (DIN : 07091189), who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Statutory auditor and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :
"Resolved that pursuant to the provisions of Sections 139 and 142 and other applicable provisions of the Companies Act, 2013, the appointment of Mr. Abhishek Kumar, Chartered Accountant (Membership No. 302000), as the Statutory Auditor of the Company from the conclusion of this Annual General Meeting till the conclusion of the Forty Third Annual General Meeting be and is hereby approved at remuneration of 1,00,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Sections 138 and Article of Association of the company and any other applicable provisions, if any, of the companies Act, 2013 the appointment of M/s. Jain & Co., Chartered Accountants, as the Internal Auditors of the Company for the Financial year 2016 - 17 be and is hereby approved at remuneration of 75,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.
"RESOLVED FURTHER THAT Board of Directors be and are hereby authorised to issue letter of appointment to M/s. Jain & Co. stating their work coverage and other reporting responsibilities."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any of the companies Act, 2013 and other applicable sections, members hereby ratify a remuneration of Rs. 40,000/- plus service tax as applicable and out of pocket expenses payable to M/s. Datta, Ghosh, Bhattacharya & Associates, Cost Accountants who have been appointed by the Board of Directors of the company for the audit of the cost records of the company for the financial year ending 31st March, 2017.

NOTICE (Contd.)

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution :
"RESOLVED THAT in accordance with the provisions of Sections 196(3) of the Companies Act, 2013 ('the Act'), the consent of the members of the company be and is hereby accorded for continuation of Sri Shanti Prasad Agarwala, as an Executive Director of the Company."
"RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution :
"RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and subject to the approval of the shareholders in general meeting, the Board hereby approves the terms of appointment and remuneration payable to Sri Padam Kumar Agarwala, as the Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2016 on terms set out in the Explanatory Statement annexed hereto as per the Agreement entered into between the Company and Sri Padam Kumar Agarwala, a copy whereof, initialed by Sri Manas Kumar Dutta, Chairman of the Nomination & Remuneration committee for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby also specifically approved."
"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Padam Kumar Agarwala, as Managing Director of the company shall be treated as minimum remuneration as provided under the Act.
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed between the Board of directors and Sri Padam Kumar Agarwala from time to time and the terms of the aforesaid agreement shall be suitable modified to give effect to such alteration/ or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling stipulated in Schedule V appended to the Act.
"RESOLVED FURTHER THAT Sri Padam Kumar Agarwala shall be liable to retire by rotation."
"RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company."



NOTICE (Contd.)

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

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and subject to the approval of the shareholders in general meeting, the Board hereby approves the terms of appointment and remuneration payable to Sri Norio Shibuya, as the Joint Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2016 on terms set out in the Explanatory Statement annexed hereto as per the Agreement entered into between the Company and Sri Norio Shibuya, a copy whereof, initialed by Sri Manas Kumar Dutta, Chairman of the Nomination & Remuneration committee for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby also specifically approved.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Norio Shibuya, as Joint Managing Director of the company shall be treated as minimum remuneration as provided under the Act.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed between the Board of directors and Sri Norio Shibuya from time to time and the terms of the aforesaid agreement shall be suitable modified to give effect to such alteration/ or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling stipulated in Schedule V appended to the Act.

“RESOLVED FURTHER THAT Sri Norio Shibuya shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT for purpose of giving effect to above resolutions, the Board of Directors of the company, be and is hereby authorized to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company.”

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

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and subject to the approval of the shareholders in general meeting, the Board hereby approves the remuneration payable to Sri Varun Agarwal as an Executive Director of the Company with effect from 1st April, 2016 until further changes proposed by the Board.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Varun Agarwal, as Executive Director shall be treated as minimum remuneration as provided under the Act.”

“RESOLVED FURTHER THAT Sri Varun Agarwal shall be liable to retire by rotations”.

NOTICE (Contd.)

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

“RESOLVED THAT in accordance with the provisions of Sections 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and subject to the approval of the shareholders in general meeting, the Board hereby approves the remuneration payable to Sri Shanti Prasad Agarwala as Whole Time Director of the Company with effect from 1st April, 2016 until further changes proposed by the Board.”

“RESOLVED FURTHER THAT Sri Shanti Prasad Agarwala shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement be paid to Sri Shanti Prasad Agarwala, as Whole Time Director shall be treated as minimum remuneration as provided under the Act.”

Registered Office :

3A, Ripon Street

Kolkata - 700 016

Dated : 24th day of May, 2016

By Order of the Board

For Ellenbarrie Industrial Gases Limited

NORIO SHIBUYA

Managing Director

NOTES :

1. The explanatory Statement as required under Section 102 of the Companies Act, 2013 related to the Special business to be transacted at the 42nd Annual General Meeting is annexed hereto.
2. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is given with this Report.
3. Corporate members desiring to exercise voting through their representative are required to forward well in advance certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.



NOTICE (Contd.)

4. Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT. LTD., Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata - 700 001, any change in their address.
5. The Register of Members and Equity Share Transfer Registers will remain closed from 28th July, 2016 to 3rd August, 2016. (both days inclusive).
6. Members should fill in their attendance slip for attending the meeting and bring their Attendance slips along with their copy of the Annual Report to the meeting. Members are requested to affix their signature at the space provided and handover the complete slip at the entrance of the place of the meeting.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding share in physical form who have not registered their e-mail address with the Company can now register the same by requesting the same, to M/s. ABS Consultants Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
8. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
9. Members are requested to note that pursuant to provisions of section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules made thereunder, the dividend remaining unclaimed/unpaid for the period of seven years from the date of transfer to "Unclaimed Dividend Account" shall be credited to the Investors Education and Protection Fund set up by the Central Government.
10. All the documents referred to in the notice will be available for inspection at the Company's registered office during normal working business hours on working days up to the date of General Meeting.
11. In order to comply with the requirement of SS-2 pertaining to General Meetings, a route map showing prominent landmark of the venue of the 42nd AGM of the Company is attached with the notice.
12. The details of the director(s) seeking appointment/re-appointment as required under Regulation 36(3) of the SEBI Listing Obligation and Disclosure Requirements, 2015 is annexed to the Report.
13. Voting through electronic means
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and clause Regulation 44 of the SEBI Listing Regulation, Members are

NOTICE (Contd.)

provided with the facilities to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system provided by Central Depository Services (India) Ltd. (CDSL).

The notice of the 42nd Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the 42nd Annual General Meeting (AGM):

The e-voting period begins on 31.07.2016 from 9.00 A.M. and ends on 02.08.2016 till 5.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 27.07.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Members also have the option to vote through Ballot Form. However, the duly completed Ballot Form should reach "The Scrutinizer at 3A, Ripon Street, Kolkata - 700 016, not later than 02.08.2016 (5.00 P.M.) (i.e. closing date of E-Voting). Ballot form received after this date will be treated as invalid. If member casts votes by both modes, then voting done through E-voting shall prevail and Ballot Form shall be treated as invalid.

The Instructions for E-Voting are as under :

- a. Log on to the e-voting website: www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith "ELLENBARRIE INDUSTRIAL GASES LIMITED" from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes :
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.



NOTICE (Contd.)

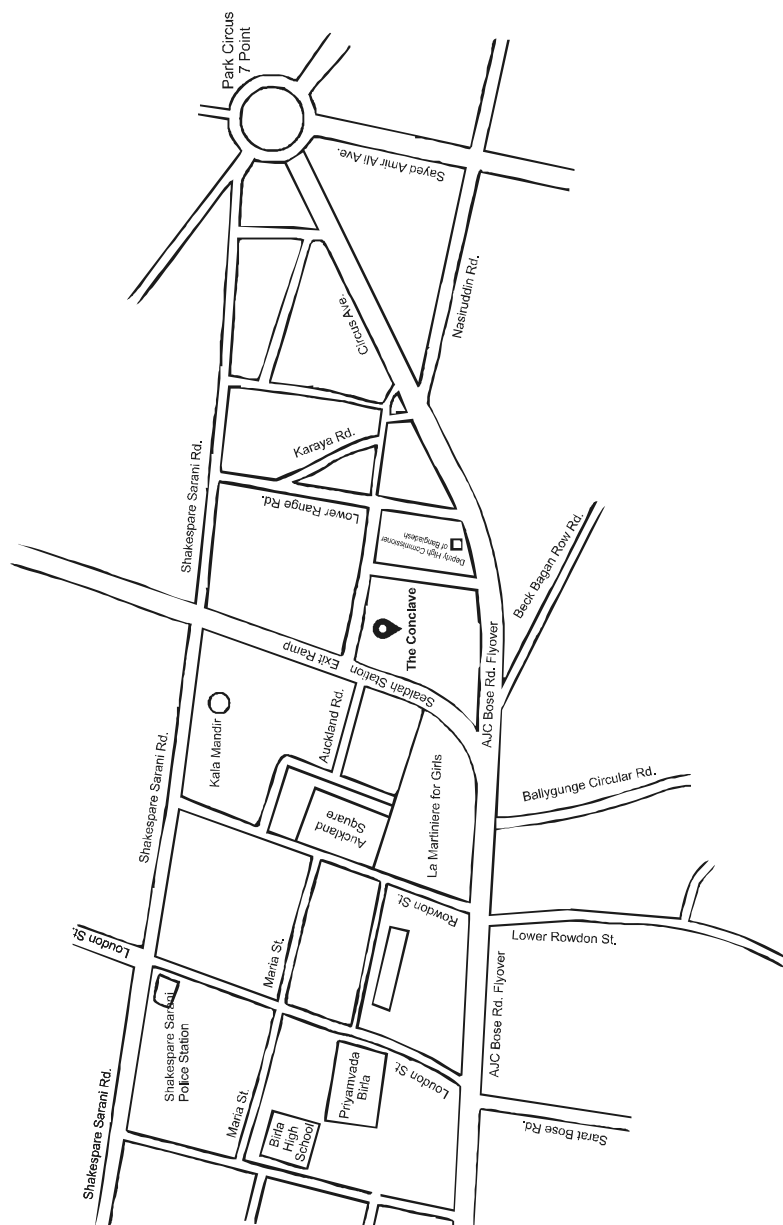
- j. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details in Attendance Slip can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the relevant EVSN "ELLENBARRIE INDUSTRIAL GASES LIMITED" for which you choose to vote.
- m. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. If Demat account holder has forgotten the changed password then enter the User ID and image verification code click on Forgot Password & enter the details as prompted by the system.
- s. For Non-Individual Shareholders and Custodians :
 - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

NOTICE (Contd.)

- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 27th July, 2016 may contact the company for Login ID and other e-voting related details.
- V. The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut-off / entitlement date of 27th July, 2016.
- VI. Mr. Sachin Kumar, Practicing Company Secretary, (Membership No. 37957) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall within a period not exceeding TWO (2) days from the conclusion of AGM unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared after conclusion of the Annual General Meeting (AGM) of the Company.
- X. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ellenbarrie.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai / The Calcutta Stock Exchange Association Limited.

Registered Office :
3A, Ripon Street
Kolkata - 700 016
Dated : 24th day of May, 2016

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



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

ITEM NO. 5

As per Article 7.2 of Part B of Article of Association of the Company the Board shall recommend the appointment of Internal Auditor of the company and the same shall be placed before the shareholders for their approval.

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

ITEM NO. 6

The Cost Auditors remuneration needs to be ratified by the shareholders, hence the resolution is proposed for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution as set out at item no. 6 for approval of the Members.

ITEM NO. 7

Shri Shanti Prasad Agarwala is a seasoned entrepreneur with a multitude of experience in the Indian Gas Industries, Mr. Agarwala had conceived the Company Ellenbarrie Industrial Gases Ltd in the year 1973. He had since then expanded the Company and enabled it to make its mark in the national forum. Mr. S. P. Agarwala is continuing on the Board and the Section 196(3) states that appointing any director as MD, WTD or Executive Director who has attained the age of 70 years must have special resolution permission for appointment.

None of the Director except Shri Padam Kumar Agarwala, Shri Shanti Prasad Agarwala and Shri Varun Agarwal are either directly or indirectly, concerned or interested in the proposed resolution. The Board recommends the Special Resolution as set out at item no. 7 for approval of the Members.

ITEM NO. 8

Shri Padam Kumar Agarwala was on the Board of company as a whole time director from 1st April, 2015. The Board of Directors based on the recommendation made by the Nomination & Remuneration Committee, at their meeting held on 24th May, 2016 have approved re-designation of Mr. Agarwala as Managing Director and the remuneration package including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year and to appoint Shri Padam Kumar Agarwala as the Managing Director of the company for a period of 3 years commencing from 1st April, 2016, pursuant to the applicable provisions of the Companies Act, 2013 on the following remuneration :



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

- Basic Salary - Rs. 3,00,000/- p.m.
- Reimbursement of medical expenses - Rs. 5,000/- p.m.
- Reimbursement of health insurance premium - Rs. 1,000/- p.m.
- LTA-Self and Family - Rs. 1,00,000/- p.a.
- Phone Facility - Actual
- Club - Two Clubs
- Company Car - with driver for official purpose

Minimum Remuneration :

Where in any financial year during the currency of the tenure of Shri Padam Kumar Agarwala as the Managing Director, the company has no profits or its profits are inadequate, the Company will consider the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under the Schedule V and other applicable provisions of the Companies Act, 2013.

General :

- i. He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii. Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon by him by the Board.
- iii. Basic Salary or part thereof shall be paid directly to him, after all statutory deductions, in India.
- iv. The appointment is terminable by either party giving the other 2 months notice in writing without assigning any reason and without liability to pay any compensation.

However, as noted from the recent quarterly results, the Company's profits are inadequate to remunerate Shri Padam Kumar Agarwala, as the Managing Director for his current tenure. The re-appointment and payment of remuneration to Managing Director requires approval of Shareholders by way of a Special Resolution at the General Meeting of the Company. The Board recommends the resolution for your approval in the interest of the Company.

None of the Director except Shri Padam Kumar Agarwala, Shri Shanti Prasad Agarwala and Shri Varun Agarwal are either directly or indirectly, concerned or interested in the proposed resolution. The Board recommends the Special Resolution as set out at item no. 8 for approval of the Members.

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

ITEM NO. 9

Mr. Norio Shibuya was appointed as the Managing Director of the Company with effect from 1st April, 2015. The Board of Directors based on the recommendation made by the Nomination & Remuneration Committee, at their meeting held on 24th May, 2016 have approved the re-designation as Jt. Managing Director and remuneration package including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year and to appoint Shri Norio Shibuya as the Joint Managing Director of the company for a period of 3 years commencing from 1st April, 2016, pursuant to the applicable provisions of the Companies Act, 2013 on the following remuneration :

- Basic Salary - Rs. 3,00,000/- p.m.
- Club - Two Clubs
- Other perks - As per government ceiling for foreign resident

Minimum Remuneration :

Where in any financial year during the currency of the tenure of Shri Norio Shibuya as the Joint Managing Director, the company has no profits or its profits are inadequate, the Company will consider the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under the Schedule V and other applicable provisions of the Companies Act, 2013.

General :

- i. He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii. Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon by him by the Board.
- iii. Basic Salary or part thereof shall be paid directly to him, after all statutory deductions, in India.
- iv. The appointment is terminable by either party giving the other 2 months notice in writing without assigning any reason and without liability to pay any compensation.

However, as noted from the recent quarterly results, the Company's profits are inadequate to remunerate Shri Norio Shibuya, as the Joint Managing Director for his current tenure. The re-appointment and payment of remuneration to Joint Managing Director requires approval of Shareholders by way of a Special Resolution at the General Meeting of the Company. The Board recommends the resolution for your approval in the interest of the Company.

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

None of the Director are either directly or indirectly, concerned or interested, financially or otherwise in the proposed resolution. The Board recommends the Special Resolution as set out at item no. 9 for approval of the Members.

ITEM NO. 10 & 11

The Board has decided to review the salary paid to its executive directors and has decided to take a cut from their salary so as to add cost benefit to the company. Hence, the following salary structure is proposed to be paid to Mr. Varun Agarwal and Mr. Shanti Prasad Agarwala :

- Basic Salary - Rs. 3,00,000/- p.m.
- Reimbursement of medical expenses - Rs. 5,000/- p.m.
- Reimbursement of health insurance premium - Rs. 1,000/-p.m.
- LTA-Self and Family - Rs. 1,00,000/- p.a.
- Phone Facility - Actual
- Club - Two Clubs
- Company Car - with driver for official purpose

Details of Director(s), seeking appointment / re-appointment, as required under Regulation 36(3) of SEBI Listing Regulations :

Name of the Director	RYOSUKE MATSUBAYASHI	KENSUKE YAMAMOTO
DIN No.	06721947	07091189
Date of Birth	16.11.1964	28.05.1956
Date of Appointment	05.11.2013	13.02.2015
Qualification	Graduate from Kyoto Institute of Technology, Faculty of Science	Economics graduate from Tokyo University
Directorships held in other companies	NIL	NIL
Member / Chairman in public companies	NIL	NIL
No. of shares held in the company	NIL	NIL

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting the 42nd Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2016.

FINANCIAL RESULTS

Highlights of the financial results of the Company for the year ended 31st March, 2016 are as under :

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

Particulars	Year Ended 31.3.2016	Year Ended 31.3.2015
Sales & Other Revenues from operations	9,59,878	8,73,035
Other Non Operational Income	10,543	13,520
Earnings before Interest, Depreciation & Tax (EBITDA)	88,869	90,722
(Loss) for the year after tax	(1,33,166)	(86,764)
Earnings Per Share of Rs. 10/- each	(20.34)	(13.25)

OPERATIONAL REVIEW

"During the financial year 2015-16 sales of manufactured goods (net of excise) registered an increase of 6% over that of 2014-15. 20% of manufacturing revenue growth was contributed by full year operation of the Hyderabad Air Separation Plant which was compensated by negative growth of 13% at other locations especially in the east. Finance cost increased by 21% mainly because of unrealized exchange losses on foreign currency loans. Eventually, your company had to report a net loss of KINR 1,33,166.

We are pleased to highlight that in terms of cash flow from operating activities before change in short term borrowing improved from a negative (-) 62,903 KINR during FY 2014-15 to positive (+) 1,67,009 KINR.

DIVIDEND

In view of the loss incurred for the Financial Year 2015 -16, the Board does not declare any dividend for the given financial year.

TRANSFER TO RESERVES

In view of the loss incurred, the company is not transferring any amount to the reserves.

SHARE CAPITAL

The paid up equity capital as on March 31, 2016 was Rs. 6,54,67,800/- and preference capital is Rs. 10,50,00,000/-. During the year under review, the Company has issued 10,50,000 9% redeemable cumulative preference shares of Rs. 100/- each to its holding company,

**DIRECTORS' REPORT (Contd.)**

M/s. Air water Inc., Japan at a premium of Rs. 200/- per share. These preference shares shall be redeemable in three installments : 1/3 of nominal value along with a premium of INR 242/- per share at the end of 7th year; 1/3 of nominal value along with a premium of INR 266/- per share at the end of 11th year; and final 1/3 of nominal value along with a premium of INR 290/- per share at the end of 15th year; The company has not issued shares with differential voting rights nor granted stock options nor sweat equity nor bonus shares during the year.

FINANCE

During the financial year total long term debt increased by KINR 64,315 because of variation in exchange rates. The company borrowed a sum of KINR 40,242 while retiring a total of KINR 49,632 long term debts. Total long term debts at the end of the year stood at KINR 1,308,520. The company also received a sum of KINR 315,000 as 9% cumulative redeemable preference share proceeds.

Cash and cash equivalents as at March 31, 2016 were KINR 18,009.

DEPOSITS

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, no details to report pursuant to Rules 8(5)(v) and 8(5)(vi) of the Companies Accounts Rules, 2014.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. A report on Corporate Governance and Management Discussion confirming compliance with the requirements of the Corporate Governance are annexed as part of this Report.

CONSOLIDATION OF FINANCIAL STATEMENTS

Your company does not have any subsidiary company or associate companies. Pursuant to section 129(3) and other applicable provisions of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended and the Accounting Standards issued by the Institute of Chartered Accountants of India including amendments made thereto, the Company is not required to prepare consolidated financial statements for the financial year 2015-16.

REVISION IN FINANCIAL STATEMENTS

There has been no revision in the financial statements of the company during the financial year 2015-16.

SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary company or associate companies. Further it is reported that pursuant to rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 that no company has become an associate of the company during the financial year 2015-16. Further, no company has ceased to be an associate company of the company during the financial year 2015-16.

DIRECTORS' REPORT (Contd.)**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company has 9 directors comprising of 4 Whole Time Directors, 3 Independent Directors and 2 Non-Executive Directors. During the year, Mr. Prabir Kumar Dutt, Independent Director of the Company resigned from the Board on 21st April, 2015 due to personal reasons. The resignation of Mr. Prabir Kumar Dutt was noted in the Board Meeting held on 15th May, 2015. The Board appointed Ms. Anindita Guhamallick in place of the vacancy created on account of Mr. Dutt's resignation. Necessary resolution for appointment of Independent Director was proposed at the last Annual General Meeting. Mr. Manas Kumar Dutta and Mr. Swapan Kumar Bhowmik continue as Independent Director in the Company. All the independent directors have given declarations that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013.

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

Mr. Norio Shibuya was appointed as additional director on 1st April, 2015. Subsequently Mr. Norio Shibuya was appointed as the Managing Director of the Company at the Board meeting held on 1st April, 2015 and his appointment was approved by the Shareholders at the EOGM held on 18th May, 2015.

Information relating to these Directors is provided in Corporate Governance Report.

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



DIRECTORS' REPORT (Contd.)

Re-appointment of Director

Mr. Kensuke Yamamoto and Mr. Ryosuke Matsubayashi, Non-Executive Directors, retire by rotation and being eligible, offers themselves for the re-appointment. None of the directors are related or interested in the appointment except as directors themselves.

The Board recommends the appointment of above mentioned directors with a view to avail their valuable advices and wise counsel.

Appointment of Key Managerial Personnel

The Board at the meeting held on 24th May, 2016, on recommendation of Nomination & Remuneration Committee, appointed Mr. Padam Kumar Agarwala as Managing Director and Mr. Norio Shibuya as Jt. Managing Director. Necessary resolution will be proposed at the forthcoming Annual General Meeting.

The Board recommends the appointment of above mentioned changes with a view to avail their valuable advices and wise counsel.

Independent Directors

Mr. Manas Kumar Dutta, Mr. Swapan Kumar Bhowmik and Ms. Anindita Guhamallick continues to be Independent Directors on the Board of the Company. Pursuant to Section 149(7) of the Act, all the independent directors have given declarations for the F.Y 2016-17 that they meet the criteria of independence as laid down under section 149(6) of the Act.

Training and familiarization programme for directors

The Board members are provided with necessary documentations/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedure and practices. The company has adopted familiarisation programme for independent directors with an aim to provide to the independent directors insight in their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

Policy on director's appointment and remuneration

The Nomination & Remuneration Committee of the company is governed by a terms of reference. The company's nomination and remuneration policy includes director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details.

Annual Evaluation by the Board of its own performance and that of its committee and individual directors

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

DIRECTORS' REPORT (Contd.)

Committees of directors and key managerial persons

The details of the committee of directors and key managerial persons pursuant to companies Act, 2013 and listing obligations and disclosure requirements are described in the corporate governance report.

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are as furnished in Annexure "B".

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2016 and of the profit or loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

MATERIAL CHANGES & COMMITMENT

Your directors confirm that there are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company and the date of this report.

RISK MANAGEMENT

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



DIRECTORS' REPORT (Contd.)**MEETING OF THE BOARDS**

During the year under review, eight meetings of the Board of Directors were held. The details of the meetings are provided in the Corporate Governance report.

AUDIT COMMITTEE

The details pertaining to the composition of the Audit committee required to be given pursuant to Section 177(8) of the Companies Act, 2013 are given in the corporate governance report. There are no instances of the Board not accepting the recommendation of the Audit committee during the financial year 2015-16

RELATED PARTY TRANSACTIONS

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

CODE OF CONDUCT

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

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

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

DIRECTORS' REPORT (Contd.)**INSIDER TRADING**

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

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

STATUTORY AUDITORS

M/s. A. Kumar & Co., Chartered Accountants, Statutory Auditors of the Company hold office up to the ensuing Annual General Meeting. As regard to observation made by A. K. Kumar & Co. Statutory Auditor in Audit Report under serial no. 7(d), the Board reiterates that during the year 2015-16, the Company has not changed its accounting policy with reference to deferred tax accounting and retirement benefits. The practice and policies of the company on alleged non-compliance of AS-15 and AS-22 are not at variance with those of policies followed in preceding year.

The Board of Directors on the recommendation of the Audit Committee has proposed to appoint Mr. Abhishek Kumar, Chartered Accountant (Membership No. 302000) as statutory auditor in place of the retiring auditors. The company has received special notice under section 115 of the Act from a member, proposing appointment of Mr. Abhishek Kumar, Chartered Accountant in place of M/s. A.Kumar & Co., the retiring auditors. It is proposed to appoint Mr. Abhishek Kumar as the Company's statutory auditor who shall hold the office from the conclusion of the 42nd Annual General Meeting for a term of one year i.e. until the conclusion of the 43rd Annual General Meeting. The proposed auditor has confirmed his willingness and eligibility in terms of provisions of Section 141.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Anjan Kumar Bandopadhyay, practicing company secretary to undertake Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure D". Referring to the observations made in the Secretarial Audit Report, the Board clarifies as under :



DIRECTORS' REPORT (Contd.)

- 1) Audit Observation : "*The Company had issuedon preferential basis*"

Board Clarification : After consulting the legal experts the Board is of considered view that Rule 13 of (Companies Share Capital & Debenture) Rules, 2014 is applicable only to issue of convertible securities. Since the company has issued non convertible preference shares on preferential basis said Rule 13 is not applicable.

- 2) Audit Observation : "*The Company had obtained REGULATIONS 2000*"

Board Clarification : The Company has fully complied with Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 with respect to reporting, utilization and other requirements. The Board is of the view that financial statements have to be prepared as per provisions of the Companies Act, 2013 and relevant Accounting Standards issued by the Institute of Chartered Accountants of India, accordingly reckoning of preference share capital as part of Share Capital is considered as the correct presentation in financial statements.

- 3) Audit Observation : "*The Board of directors..... AOA of the Company.*"

Board Clarification : Necessary actions have been taken at the Board Meeting held on 24th May, 2016. The Board has confirmed that all the directors except Independent directors shall retire by rotation in compliance of Article 7.2 of the Part B of the Articles of Association of the Company.

COST AUDITOR

The Board at its meeting held on 24th May, 2016 has appointed M/s. Datta, Ghosh, Bhattacharya & Associate as cost auditors for carrying out audit of cost accounting records of the company for the financial year ending 31st March, 2017.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

Details pursuant to Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement relating thereto is given in "Annexure F".

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

During the year 2015-16, there was no significant or material order passed by any Regulators, Courts or Tribunals impacting the going concern status or future operations of the Company. However, during the year, the company made a reference to the Board of Industrial & Financial

DIRECTORS' REPORT (Contd.)

Reconstruction (BIFR) as required under the provisions of Sick Industries Companies Act. In the meanwhile, the company had taken steps to augment net worth of the company and therefore the company has made submission to the BIFR requesting for ceasing proceedings under the provisions of SICA.

SEXUAL HARASSMENT POLICY

As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule, 2013, and Internal Complaint Committee (ICC) with requisite number of representative has been set up to redress complaints of sexual harassment, if any. The following is a summary of sexual harassment complaints received and disposed off during the year ended 31st March, 2016 :

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

TRADE RELATIONS

The Board desires to place on record its appreciation for the support and co-operation that the Company has received from suppliers, brokers, customers and others associated with the Company as its enterprise partners. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be Company's endeavour to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other.

APPRECIATION & ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

NORIO SHIBUYA

Managing Director

PADAM KUMAR AGARWALA

Whole Time Director

3A, Ripon Street

Kolkata - 700 016

Dated : 24th day of May, 2016



ANNEXURE - A

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

A. Conservation of Energy

- i. Steps taken or impact of conservation of Energy :
Steps have been taken towards improvement of power factor and load factor with a view to achieve optimum power efficiency.
- ii. Steps taken for utilizing alternate sources of energy :
Power is being procured from wind power generators for operation of plant.
- iii. Capital investment on energy conservation equipment :
Nil during the year

B. Technology Absorption

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

C. Foreign Exchange Earnings & Outgo

- Foreign exchange earned during the year : KINR 34,954
- Foreign exchange outgo during the year : KINR 1,38,973

ANNEXURE - B

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

	Requirements	Disclosure	
		Name of the Director	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Shanti Prasad Agarwala Mr. Norio Shibuya Mr. Padam Kumar Agarwala Mr. Varun Kumar Agarwal	12.6 : 1 12.6 : 1 12.6 : 1 12.6 : 1
2.		For this purpose, sitting fees paid to the Directors and have not been considered as remuneration	
3.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	Mr. Shanti Prasad Agarwala Mr. Norio Shibuya Mr. Padam Kumar Agarwala Mr. Varun Kumar Agarwal Mr. K. Srinivas Prasad Mrs. Priyanka Jaiswal	- - - - 15.7% 14.1%
4.	The percentage increase in the median remuneration of employees in the financial year	11.3%	
5.	The number of permanent employees on the rolls of company	143 (including whole time & managing director)	
6.	The explanation on the relationship between average increase in remuneration and company performance :	Factors considered while recommending increase in fixed compensation : 1. Financial performance of the Company. 2. Comparison with peer companies. 3. Industry Benchmarking 4. Contribution made by the employee. 5. Regulatory guidelines as applicable to Managerial Personnel. The Company had revenue growth of 9.5 % over the FY 2014-15 and 42.3% over FY 2013-14 against which the average increase in remuneration is 6.6 % for all employees and 1.6% for KMPs. Salary increase was kept in abeyance during FY 14-15 considering financial losses.	
7.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :	Total Remuneration paid to KMPs aggregate only to 1.8% of Gross Revenue.	



8.	Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies	The Market capitalization of the Company is KINR 2,041,941 as on March 31, 2016 as against KINR 3,712,024 as on March 31, 2015. No Price Earnings Ratio is reported as both the years there were net losses.			
9.	Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 8.4 % for employees other than KMP and 1.6 % for KMP. Note : <i>The executive directors had taken a voluntary reduction of 20% during FY 14-15. Increase in FY 15-16 to that extent has not been considered for average increase above.</i>			
10.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Name	Remuneration FY 15-16	% of Gross Revenue	% of Net Profit
		Mr. S. P. Agarwala	4200	0.41%	N. A.
		Mr. P. K. Agarwala	4200	0.41%	N. A.
		Mr. Varun Agarwal	4200	0.41%	N. A.
		Mr. Norio Shibuya	4200	0.41%	N. A.
		Mr. K. S. Prasad	1788	0.17%	N. A.
		Mrs. P. Jaiswal	501	0.05%	N. A.
11.	The key parameters for any variable component of remuneration availed by the directors	Variable Pay is not part of agreements of any KMP.			
12.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable			
13.	Affirmation, that the remuneration is as per the remuneration policy of the Company	Yes			

General Note :

1. Calculation of Market Capitalization, price to earnings and other details are based on stock price on National Stock Exchange of India Limited on relevant dates.
2. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013
3. Key Managerial Personnel (KMP) includes Managing Director / whole time Director / Executive Director.

ANNEXURE - C

DETAILS OF RELATED PARTY TRANSACTIONS IN FORM AOC-2

Sl. No.	Name of the Related Party and Nature of Relationship	Nature of Contract or Arrangement	Duration of the Contract of arrangement	Salient Terms & Conditions	Date of approval by the Board	Amount paid as advance, if any	Date of Special Resolution passed
1.	Superior Tea & Allied Industries Pvt. Ltd.	Office Rent Agreement	5 Years	Monthly rental of Rs. 12,000/- fr an area of 578 sq.ft. at 3A, Ripon Street, 2nd Floor, Kolkata -16	12.08.15	Rs. 2.25 lakhs as interest free security deposit.	18.09.15
2.	Gunjan Suppliers Pvt. Ltd.	Office Rent Agreement	5 Years	Monthly rental of Rs. 3,000/- fr an area of 833 sq.ft. at 3A, Ripon Street, 4th Floor, Kolkata -16	12.08.15	Rs. 24.61 lakhs as interest free security deposit.	18.09.15
3.	Ellenbarrie Cryogenics Limited	Fixed Asset Hire Charges	3 Years	Rs. 20 lakhs p.a for assets taken on hire from the company	12.08.15	—	18.09.15
4.	Air Water Inc.	Guarantee provided by the holding company in respect of loans borrowed by EIGL	—	—	12.08.15	No Guarantee commission is proposed to be paid to the holding company	18.09.15



ANNEXURE - 'D'

**Form No.MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

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

To,
The Members,
ELLENBARRIE INDUSTRIAL GASES LIMITED

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied With the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed, thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations, and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing. of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) I have examined on test check basis compliance with following Acts and Rules which are specifically applicable to the company.

- (a) The petroleum Act 1934.
- (b) Explosives Act 1884.
- (c) Gas cylinder Rules 2014.
- (d) Static and mobile pressure vessel unfired Rules 1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations :-

1. **The Company had issued 10,50,000, Non-Convertible Redeemable Preference Shares at a price of Rs.300/- per share including premium of Rs.200 per share aggregating Rs.31,50,00,000 on Preferential basis to AIR WATER INC., Japan, Holding Company in contravention of Rule 13 of COMPANIES (SHARE CAPITAL & DEBENTURE) RULES 2014 which, in terms of Explanation (ii) to proviso of Sub-rule (1) of Rule 13 excludes Non-Convertible Securities from the expression shares and securities for purpose of issue of shares on preferential basis.**
2. **The Company had obtained above sum of Rs.31,50,00,000/- through External Commercial Borrowing for which 10,50,000 Non-Convertible Redeemable Preference Shares were issued and reckoned as part of share capital instead of**



considering the same as debts and hence not complied with notification pursuant to press note dated 30th April, 2007 and Circular No.73 [A.P. (DIR SERIES)] dated June 8, 2007 of Department of Economic Affairs, Ministry of Finance, New Delhi and also in contravention of Regulation 4 (4) of FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING IN RUPEES) REGULATIONS 2000.

I further report that –

The Board of Directors of the company is not duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors in terms of provisions of Section 152 (6) of Companies Act, 2013 and Articles of Association of the Company.

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

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

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

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

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

I further report that during the Audit period the company has –

- (1) made an issue of 10,50,000 Non-Convertible Redeemable Preference Shares at a price of Rs. 300/- per share including premium of Rs. 200 per share aggregating Rs.31,50,00,000/- to AIR WATER INC., Japan Holding Company on Preferential Basis.
- (2) made reference to the Board for Industrial and Financial Reconstruction (BIFR) in prescribed Form A pursuant to the provision of Section 15 of the sick Industrial Companies (Special Provision) Act, 1985.

ANJAN KUMAR BANDYOPADHYAY

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 24th day of May, 2016

Company Secretary
FCS No. 4276
CP No. 7147

ANNEXURE - 'A' TO MR-3

To
The Members
ELLENBARRIE INDUSTRIAL GASES LIMITED

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

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

ANJAN KUMAR BANDYOPADHYAY

9, K. M. Naskar Road
Kolkata - 700 040
Dated : 24th day of May, 2016

Company Secretary
FCS No. 4276
CP No. 7147



ANNEXURE - 'E' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016

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

I. REGISTRATION & OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Oxygen	20111	29%
2.	Nitrogen	20111	43%

Form No. MGT-9

EXTRACT OF ANNUAL RETURN (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
b) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) State Govt.(s)	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) Bodies Corp.	—	—	—	0.00%	—	—	—	0.00%	0.00%
e) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (1)	15,67,457	—	15,67,457	23.94%	15,67,457	—	15,67,457	23.94%	0.00%
(2) Foreign									
a) NRI Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Other Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Bodies Corp.	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
d) Any Other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (2)	33,38,858	—	33,38,858	51.00%	33,38,858	—	33,38,858	51.00%	0.00%
Total (A)	49,06,315	—	49,06,315	74.94%	49,06,315	—	49,06,315	74.94%	0.00%
(B) Public									
(1) Institutions									
a) Mutual Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Central Govt.	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) State Govt.(s)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%


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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Insurance	—	—	—	0.00%	—	—	—	0.00%	0.00%
g) FIs	—	—	—	0.00%	—	—	—	0.00%	0.00%
h) Foreign Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
i) Others (specify)	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (1)	—	40,500	40,500	0.62%	—	40,500	40,500	0.62%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12,68,130	900	12,69,030	19.38%	12,67,622	900	12,68,522	19.38%	(0.04%)
ii) Overseas	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,034	11,307	18,341	0.28%	11,920	11307	23,227	0.35%	26.64%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,12,134	—	3,12,134	4.77%	3,07,756	—	3,07,756	4.70%	(1.40%)
c) Others (specify)									
Non Resident Indians	460	—	460	0.01%	460	—	460	0.01%	0.00%
Overseas Corporate Bodies	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Nationals	—	—	—	0.00%	—	—	—	0.00%	0.00%
Clearing Members	—	—	—	0.00%	—	—	—	0.00%	0.00%
Trusts	—	—	—	0.00%	—	—	—	0.00%	0.00%
Foreign Bodies - DR	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (B) (2)	15,87,758	12,207	15,99,965	24.44%	15,87,758	12,207	15,99,965	24.44%	0.00%
Total Public (B)	15,87,758	52,707	16,40,465	25.06%	15,87,758	52,707	16,40,465	25.06%	0.00%
C. Shares held by Custodian for GDRs & ADRs	—	—	—	0.00%	—	—	—	0.00%	0.00%
Grand Total	64,94,073	52,707	65,46,780	100.00%	64,94,073	52,707	65,46,780	100.00%	0.00%

Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
ii) Shareholding of Promoter

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

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

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

iv) Shareholding Pattern of top ten Shareholders (Given Separately)
(Other than Directors, Promoters and Holders of GDRs and ADRs)

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


Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
iv) Shareholding Pattern of top ten Shareholders

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

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

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	Padam Kumar Agarwala						
	At the beginning of the year			4,97,541	7.60%	—	0.00%
	Changes during the year			—	0.00%	—	0.00%
	At the end of the year			—	0.00%	4,97,541	7.60%
2.	Shanti Prasad Agarwala						
	At the beginning of the year			4,97,541	7.60%	—	0.00%
	Changes during the year			—	0.00%	—	0.00%
	At the end of the year			—	0.00%	4,97,541	7.60%
3.	Varun Agarwal						
	At the beginning of the year			5,72,375	8.74%	—	0.00%
	Changes during the year			—	0.00%	—	0.00%
	At the end of the year			—	0.00%	5,72,375	8.74%
4.	K. Srinivas Prasad						
	At the beginning of the year			—	0.00%	—	0.00%
	Changes during the year			—	0.00%	—	0.00%
	At the end of the year			—	0.00%	—	0.00%
5.	Priyanka Jaiswal						
	At the beginning of the year			—	0.00%	—	0.00%
	Changes during the year			—	0.00%	—	0.00%
	At the end of the year			—	0.00%	—	0.00%

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

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,082	3,203		20,285
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	17,082	3,203		20,285
Change in Indebtedness during the financial year				
* Addition	2,492			2,492
* Reduction	(—) 3,832	(—) 1,114		(—) 4,946
Net Change	(—) 1,340	(—) 1,114		6,402
Indebtedness at the end of the financial year				
i) Principal Amount	15,742	2,089		17,831
ii) Interest due but not paid				—
iii) Interest accrued but not due				—
Total (i+ii+iii)	15,742	2,089		17,831

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Shanti Prasad Agarwala	Padam Kumar Agarwala	Varun Agarwal	Norio Shibuya	
	Designation	WTD	WTD	EXEC.DIR	MD	
1.	Gross Salary	42,00,000	42,00,000	42,00,000	42,00,000	1,68,00,000
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—	—
	b) Value of perquisites u/s 17(2) Income tax Act, 1961	—	—	—	—	—
	c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—


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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
	Name	Shanti Prasad Agarwala	Padam Kumar Agarwala	Varun Agarwal	Norio Shibuya	
	Designation	WTD	WTD	EXEC.DIR	MD	
	Commission	—	—	—	—	—
4.	- as % of profit	—	—	—	—	—
	- others, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	42,00,000	42,00,000	42,00,000	42,00,000	1,68,00,000
	Ceiling as per the Act					

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs./Lac)
1.	Independent Directors	Manas Kr. Dutta	Swapan Kr. Bhowmik	Prabir Kr. Dutt	
	Fee for attending board committee	1,20,000.00	1,00,000.00	1,40,000.00	3,60,000.00
	Commission				
	Others, please specify				
	Total (1)	1,20,000.00	1,00,000.00	1,40,000.00	3,60,000.00
2.	Other Non-Executive Directors				
	Fee for attending board committee	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B) = (1+2)	1,20,000.00	1,00,000.00	1,40,000.00	3,60,000.00
	Total Managerial Remuneration				1,36,60,000.00
	Overall Ceiling as per the Act				

Form No. MGT-9
EXTRACT OF ANNUAL RETURN (Contd.)
C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs./Lac)
	Name		K. Srinivas Prasad	Priyanka Jaiswal	
	Designation	CEO	CFO	CS	
1.	Gross Salary	—	18,00,000	5,00,600	—
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—
	b) Value of perquisites u/s 17(2)	—	—	—	—
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
	Commission	—	—	—	—
4.	- as % of profit	—	—	—	—
	- others, specify	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total	—	18,00,000	5,00,600	23,00,600

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act.	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

NOT APPLICABLE



A - 1

Sl. No.	Name of the Shareholder	As on 01.04.2015		As on 31.03.2016	
		No. of Shares	% of the Shareholding	No. of Shares	% of the Shareholding
1.	Heaven Commercial Pvt. Ltd.	1028068	15.7	1004068	15.7
2.	Popular Vanijya Pvt. Ltd.	239102	3.64	239102	3.64
3.	Sarika Banka	61700	0.94	59373	0.9
4.	Anjali Agarwal	61634	0.94	59709	0.91
5.	Mahendra Kumar Saraogi	54000	0.82	54000	0.82
6.	Sunita Saraogi	54000	0.82	53952	0.82
7.	Governor of West Bengal	40500	0.62	40500	0.62
8.	Pushpalata Saraogi	40500	0.62	40500	0.62
9.	Kusumlata Saraogi	40500	0.62	40222	0.61
10.	Pankaj Kumar Roy	1800	0.03	1800	0.03
11.	Basant Kumar Daga	1800	0.03	1800	0.03

A - 2

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			
		Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwala	Norio Shibuya
	Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwala	Norio Shibuya
	Designation	WTD	WTD	Executive	MD
1.	Gross Salary	42,00,000	42,00,000	42,00,000	42,00,000
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	—	—	—	—
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission	—	—	—	—
	- as % of profit	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total (A)	42,00,000	42,00,000	42,00,000	42,00,000

ANNEXURE - 'F' PARTICULARS OF EMPLOYEES

Sl. No.	Employee Name	Designation	Qualification	Age (in years)	Experience (In years)	Date of commencement of Employment	Gross Remuneration (In lakhs)	Last employment held by such employee	% of equity shares held by the employee	Whether employee is relative of any director, if yes, give name of such director
1.	Shanti Prasad Agarwala	Whole Time Director	B.Com	74	51	01.01.2001	42	-	7.6	Padam Kumar Agarwala; Varun Agarwal
2.	Padam Kr. Agarwala	Whole Time Director	B.Com (Hons)	56	30	31.10.2001	42	-	7.6	Shanti Prasad Agarwala; Varun Agarwal
3.	Varun Agarwal	Executive Director	B.Sc (Economics); M.Phil in Economics from Cambridge University	32	10	14.08.2008	42	-	8.74	Shanti Prasad Agarwala; Padam Kumar Agarwala
4.	Norio Shibuya	Managing Director	Bachelor of Commerce	56	32	01.04.2015	42	-	NIL	NIL
5.	K. Srinivas Prasad	CFO	CA, B.Com (Hons)	48	23	17.12.2013	18	AIRLIQUIDE India	NIL	NIL
6.	Priyanka Jaiswal	CS	CS, B.Com (Hons)	26	4	24.03.2014	5	MKB & Associates	NIL	NIL



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, if any.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any.
 - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal control system, if any.

3A, Ripon Street
Kolkata - 700 016
Dated : 24th day of May, 2016

NORIO SHIBUYA K. SRINIVAS PRASAD
Managing Director Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Ellenbarrie Industrial Gases Ltd.(EIGL) presents its analysis covering performance and forward looking statements based on certain assumptions and expectations of future event with a view to convey the management's perspective on the financial condition and operating performance at the end of the financial year 2015-16 :

I. Economic Overview & Outlook :

The trend of slowdown in global growth continued during the year. Global economy witnessed continued growth deceleration in most emerging and developing economies, resulting from low commodity prices, weaker capital inflows and subdued global trade. However, growth in India stayed fairly resilient. India was the fastest growing large economy with a stable currency that performed better than most other emerging market currencies. Domestic macro-economic conditions also remained stable. However, a second consecutive year of drought and a low increase in support prices have led to a sharply slower growing rural economy compared to earlier years.

Your Company's performance for the year 2015-16 has to be viewed in the context of aforesaid economic and market environment.

In terms of outlook for the next financial year, it is apt to quote from the Reserve Bank of India's Monetary Policy statement of June 07, 2016: "Domestic conditions for growth are improving gradually, mainly driven by consumption demand, which is expected to strengthen with a normal monsoon and the implementation of the Seventh Pay Commission award. Higher public sector capital expenditure, led by roads and railways, should crowd in private investment, offsetting somewhat the subdued appetite for fresh private investment due to financial stress. Yet, business confidence will be restrained to an extent on account of unrelenting global factors."

II. Operation and Sales Performance :

The positive shoots of macroeconomic recovery during FY 2015-16 had positive impact on the operations of the company. Customer base increased and cost base was optimized resulting in incremental benefits over previous year. However, challenges like lower margin, price pressure and exchange risk emanating from foreign currency denominated borrowings remains to be addressed.

III. Financial Performance :

Negative PBT at Rs. 133 million for the year (previous year Rs. 87 million) are analyzed and discussed as under :

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)****a) Net Sales & Other Operating Income :**

	Financial Year 2015-2016	Financial Year 2014-2015	Change %
Revenue from Operations	960	873	10%
Other Income	11	14	(22%)
Total Revenue	970	887	9%

Sales volumes recovered during the year backed by higher loading of the new plant in Hyderabad, which was commissioned back in January 2015.

b) Expenses : (Million Rupees)

	Financial Year 2015-2016	Financial Year 2014-2015	Change %
Cost of Materials Consumed	47	53	(11%)
Material Purchased for Trading	83	191	(57%)
Changes in Inventories of Stock-in-Trade	45	(70)	(165%)
Employee Benefits Expense	83	64	30%
Finance Costs :			
- Interest Expenses	117	108	8%
- Exchange Difference	34	16	111%
Depreciation and Amortization Expense	71	53	35%
Other Expenses	624	559	12%
Total Expenses	1,104	973	13%
EBITDA (Earnings before Interest, Depreciation & Tax)	89	91	(2%)

Expenses overshoot growth in revenues owing to two major factors :

- Exchange fluctuation on foreign currency loans; and
- Depreciation on account of full year effect of the Hyderabad project commissioned in January 2015.

Out of exchange fluctuation Rs. 31 Million (previous year Rs. 4 Million) being unrealized losses. Interest expenses have reduced following restructuring during previous year and likely to further contained in the coming years following inflow of preference share capital proceeds in March 2016. EBITDA for the year more or less remained stagnant as last year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)**IV. Strategy, Risks, Opportunities & Threats :**

EIGL's continues to be building capacities by being competitive and to deliver products of international standards. To this end EIGL stresses on better understanding of customer needs, optimize its cost structure and strengthen its performance.

EIGL is exposed to following risk factors with possible mitigating strategies :

- Macroeconomic environment of India and industrial cycles such as regional demand supply imbalances, price swings and input cost variations. This can be addressed through timely readjustment of customer base, product profile and cost structure.
- Regulatory Environment: The Company is subject to several regulatory scrutinies in states it is present. The company has policies, systems and procedures in place to ensure compliances.
- Financing : Industrial gas business requires substantial investment being a capital intensive business; the company has raised borrowings in foreign currency which is subject to fluctuations. The company management has put in place a risk management policy to respond to volatility in foreign currencies. It is important to note that with Air Water Inc. being a majority shareholder has added to company's strength to address its funding needs. Air Water Inc. has subscribed, during the year, to redeemable preference shares to the extent of Rs. 315 Million which is likely to reduce borrowing costs in coming years apart from bringing a balance to the capital structure of the company.

V. Cautionary Statement :

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Our actions are governed by our values and principles, which are reinforced at all levels within the company. At Ellenbarrie we are committed to meet the aspirations of all our stakeholders which include shareholders, customers, suppliers, banks and financial institutions, government, employees and the community at large. We ensure:

- Transparency, fairness and timely disclosures;
- Fair and equitable treatment to all shareholders and protection of shareholder's interests and rights;
- Compliance with all applicable laws and regulations;
- Ethical business decisions to meet stakeholder expectations; and
- Accountability of the Board to the Company and its stakeholders.

Our governance practice are self-driven and focused to meet the aspirations of the stakeholders and at the same time create and institution which all stakeholders are proud to be associated with.

2. Board of Directors

Board composition and category of Directors

The Board of Directors (the "Board") of the Company are committed to best governance practice in the company to ensure sustainability and long term value. The Board plays a major role in overseeing how the management serves the short term and long term interest of the shareholders and other stakeholders.

The Board of Directors presently consist of 9 directors out of which 3 directors are Independent Directors. The Chairman is an Independent Non-Executive Director. The composition and category of the directors on the Board are as follows :

REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	Name of the Director
Executive Director	Mr. Norio Shibuya, MD
	Mr. Padam Kumar Agarwala, WTD
	Mr. Shanti Prasad Agarwala, WTD
	Mr. Varun Agarwal, ED
Non- Executive Director	Mr. Kensuke Yamamoto
	Mr. Ryosuke Matsubayashi
Independent Director	Mr. Manas Kumar Dutta
	Mr. Swapan Kumar Bhowmik
	Mrs. Anindita Guhamallick

No Director is, inter se, related to any other Director on the Board, except Mr. Shanti Prasad Agarwala, Mr. Padam Kumar Agarwala and Mr. Varun Agarwal who are related to each other. Information of directors pursuant to SS-2 are provided in Annexure - A to the Corporate Governance report.

Details of the Board Meetings

Eight Board meetings were held during the period 01.04.2015 to 31.03.2016. The Company has held at least one Board Meeting in every three months and the gap between such two meetings was not more than four months. The details of the Board meetings are as follows :

No.	Date of Board Meeting	Total Strength of the Board	No. of Directors present
1.	1st April, 2015	9	9
2.	13th May, 2015	9	4
3.	15th May, 2015	9	7
4.	12th August, 2015	9	7
5.	29th October, 2015	9	7
6.	7th January, 2016	9	6
7.	12th February, 2016	9	6
8.	16th March, 2016	9	9

Attendance at aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship / Memberships in other Companies of each of the Directors as on the date of this report are below :

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Director	Board Meeting Attended	Attended last AGM held on 20.09.2014	No. of Directorship in other Companies ¹	No. of Membership in Committees of Directors in other Companies. ²
Mr. Shanti Prasad Agarwala	8	Yes	9	—
Mr. Padam Kumar Agarwala	8	Yes	8	—
Mr. Varun Agarwal	4	Yes	4	—
Mr. Kensuke Yamamoto	3	Yes	—	—
Mr. Norio Shibuya	8	Yes	—	—
Mr. Ryosuke Matsubayashi	5	Yes	—	—
Mr. Manas Kumar Dutta	7	Yes	2	—
Mr. Swapan Kumar Bhowmik	5	No	—	—
Mrs. Anindita Guhamallick	7	No	3	—

1. *Excluding private limited companies, foreign companies and companies under section 8 of the companies act, 2013, trust and alternate directorships as per Regulation 26 of the SEBI(Listing Obligations and Disclosure Requirements), 2015.*

Selection / Appointment Procedure

As per the Company's Nomination and Remuneration policy, selection of new Board members is the responsibility of the the Nomination and Remuneration Committee (NRC), which is subsequently considered and approved by the Board. The NRC considers the knowledge, skill, professional and functional expertise, industry orientation, diverse academic, professional or technical background, age etc., while selecting and individual as a director. The appointment of new Director is finally approved by the shareholders either through postal ballot or in a General Meeting.

Board Independence

Based on the confirmation/disclosure received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI Listing Regulations.

There are no material pecuniary relationships or transactions between the Independent Directors and the company, except for sitting fees drawn by them for attending the meeting of the Board. None of the non-executive directors hold any shares or convertible instruments in the company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

A separate meeting of the Independent Directors was held on March 16, 2016, to discuss inert alia :

- The performance of the chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;
- The performance of the Non-Independent Directors and the board as whole;
- The quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance evaluation of Independent Director

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

Board Familiarization and Induction program

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

Code of Business Conduct and Ethics

The Board has laid down a code of conduct for all Board members and senior management of the company and the same has been posted on the website of the company.

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

Whistle Blower Policy

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

1. Audit Committee

As on March 31, 2016, the Audit Committee of the Board comprises of three (3) Non-Executive Directors out of which two (2) are Independent. The Chairperson is a



REPORT ON CORPORATE GOVERNANCE (Contd.)

Non-Executive Independent Director. The composition of the committee is in compliance with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. CFO and MD are permanent invitees to the committee. Others are invited on need basis. The roles and terms of reference of the Audit committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulation and Section 177 of the Companies Act, 2013, besides other term as may be referred by the Board of Directors of the company. The terms of reference of the Audit committee broadly are :

- ✓ Approval of annual internal audit plan;
 - ✓ Review and approval of related party transactions;
 - ✓ Review of financial reporting systems;
 - ✓ Ensuring compliance with regulatory guidelines;
 - ✓ Reviewing the quarterly, half-yearly and annual financial results;
 - ✓ Discussing the annual financial statements and audit reports before submission to the Board;
 - ✓ Interaction with statutory, internal and cost auditors;
 - ✓ Recommendation for appointment and remuneration of auditors; and
 - ✓ Reviewing and monitoring auditor's independence and performance etc.
 - ✓ Financial statement of the company.
- a) the following :
- b) further the Audit committee also mandatorily reviews the following :
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions submitted by the management;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit report relating to internal control weaknesses;
 5. Functioning of Whistle Blower mechanism in the Company.

Meeting, attendance and Composition of the committee

During the FY 2015-16, the Audit Committee met five (5) times i.e, on 1st April, 2015, 15th May, 2015, 12th August, 2015, 29th October, 2015 and 12th of February, 2016.

The composition of the Audit Committee and the meeting attended by the members are as under :

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Director	No. of Meetings attended during the period
Mr. Manas Kr. Dutta (Chairman of the Committee)	5
Mrs. Anindita Guhamallick	2
Mr. Kensuke Yamamoto	2

General

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee attended the previous Annual General Meeting held on 18th September, 2015.

4. Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Board was reconstituted during the year. The composition of the committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing regulation. The role of the committee inter-alia includes :

- ✓ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ✓ Formulation of criteria for evaluation of performance of Independent directors and the Board of Directors;
- ✓ Devising a policy on diversity of Board of Directors;
- ✓ Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- ✓ To consider and evaluate whether extend or continue the terms of appointment of the Independent Directors on basis of the report of performance evaluation of Independent Directors.

Composition of the Committee

As at 31st March, 2016 the composition of the Committee is in line with Section 178 of the Companies Act, 2013, comprised of three members, of which majority of them are Independent Directors. During the FY 2015-16, the committee met twice (2) i.e, on 1st of April, 2015 and 25th of June, 2015.

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Director	No. of Meetings attended during the period
Mr. Manas Kumar Dutta (Chairman of the Committee)	2
Mr. Kensuke Yamamoto	1
Mr. Swapan Kumar Bhowmik	2

Performance Evaluation Criteria

The company believes in conducting its business affairs in a fair and transparent manner, giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders. The Nomination and Remuneration committee had laid down the evaluation criteria for performance evaluation of every director including Independent Director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy for Directors

The remuneration paid by the Company to its Executive and Non-Executive Directors is decided by taking into consideration the following:

- Company's size and global presence;
- Remuneration trend in the industry;
- Compensation paid by peer companies;
- As a reflection of responsibility and performance; and
- Employment scenario.

Remuneration paid to Executive Director(s)

The Company has four (4) Executive Directors viz, Mr. Padam Kumar Agarwala (MD), Mr. Norio Shibuya (JMD), Mr Shanti Prasad Agarwala (WTD) and Mr. Varun Agarwal (ED). The remuneration of the Executive Directors is approved by the shareholders on the basis of the recommendation of the Nomination and Remuneration committee.

Remuneration paid to Non-Executive Director(s)

During the financial year the Non-Executive do not have any pecuniary relationship or transactions with the Company. The appointment letter issued to the Independent Director is available on the website of the company www.ellenbarrie.com. The independent directors are only eligible to sitting fees. No commission is paid to any of the directors.

Details of remuneration paid to Whole-Time Directors for the period ended 31st March, 2016 :

REPORT ON CORPORATE GOVERNANCE (Contd.)

Director	Salary & Perks	Commission	Total	Service Contract (Years)	Period
Mr. Norio Shibuya (Managing Director)	42.00	-	42.00	3 yrs	01.04.2015 to 31.03.2018
Mr. Padam Kumar Agarwala (Whole Time Director)	42.00	-	42.00	3 Years	01.04.13 to 31.03.16
Mr. Shanti Prasad Agarwala (Whole Time Director)	42.00	-	42.00	3 Years	01.04.13 to 31.03.16
Mr. Varun Agarwal (Executive Director)	42.00	-	42.00	3 Years	01.04.13 to 31.03.16

5. Stakeholders Relationship Committee

As on 31st March, 2016, the committee comprises of three(3) members. Mr. Kensuke Yamamoto (Chairman), Mr. Manas Kumar Dutta and Mr. Norio Shibuya. During the year 2014-15, the committee did not received any complaints. There were no pending complaints from the shareholders as on 31st March, 2016. The main function of the Stakeholders' relationship committee is to strengthen the investor relations. The committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the committee are as under :

- Redressal of shareholders/investors complaints;
- Non-receipt of declared dividends, balance sheets of the company; and
- Carrying out any other function as prescribed under in the SEBI Listing regulations.

6. Risk Management Committee

The Board has constituted Risk Management Committee to periodically review the risk matrix and ensure that the executive management controls risk through properly defined framework. The constitution of the committee is in compliance with Regulation 21 of the SEBI listing regulation. The committee comprises of the following members :

Mr Norio Shibuya (Chairman of the Committee)	Managing Director
Mr. Ryosuke Matsubayashi	Non-Executive Director
Mr. Varun Agarwal	Executive Director
Mr. K. Srinivas Prasad	CFO

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

7. Related Party Transactions

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

Name and Designation of Compliance Officer :

Ms. Priyanka Jaiswal - Company Secretary

Name and Designation of Contact Person of Registrars and Transfer Agent of the Company :

Mr. Vijay Sharma – Director

Share Transfers/Transmissions etc. as approved by the Committee are notified to the Board at regular intervals. During the year i.e. from 01.04.2015 to 31.03.2016, the status of complaints are as under :

Complaints pending as on 01.04.2015	—	Nil
Complaints received from Investors	—	0
Complaints replied / resolved	—	0
Complaints pending as at 31.03.2016	—	Nil

8. GENERAL INFORMATION FOR SHAREHOLDERS

CIN of the Company	: L24112WB1973PLC029102
Date of Annual General Meeting & Time	: 3rd August, 2016 Wednesday, at 3.00 P.M.
Venue	: THE CONCLAVE 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017
Financial Year	: 2015 - 2016
Book Closure	: From 28th July, 2016 to 3rd August, 2016
ISIN	: INE 236 E 01014
Listing on Stock Exchange	: The Shares of the Company are listed on The Calcutta Stock Exchange Ltd. and permitted for Trading on the Bombay Stock Exchange with effect from 03.07.2008.
ADDRESS FOR CORRESPONDENCE	
Registered Office	: ELLENBARRIE INDUSTRIAL GASES LTD. 3A, Ripon Street, Kolkata - 700 016
Registrar and Share Transfer Agent	: ABS Consultant Pvt. Ltd. Stephen House, 6th Floor, Room No. 99 4, B.B.D. Bag (East) Kolkata - 700 001
Plant Locations	: Kalyani Works : Block 'D' Plot No.-25, Kalyani Industrial Estate, P.O. : Kalyani, District : Nadia (W.B.) Uluberia Works : NH-6, Bombay Road, P.O. Uluberia Dist. Howrah (W.B.) Parwada Works : Plot No. 57A, J.N. Pharmacy, Parwada Visakhapatnam, Andhra Pradesh

REPORT ON CORPORATE GOVERNANCE (Contd.)

9. GENERAL BODY MEETING

Details of the Meeting held in last three years.

I) ANNUAL GENERAL MEETING :

Financial Year	Date and Time	Venue
2014 - 2015	18-09-2015 at 03.00 P.M.	THE CONCLAVE (OTHER ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017
2013 - 2014	20-09-2014 at 03.00 P.M.	THE CONCLAVE (OTHER ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017
2012 - 2013	30-09-2013 at 03.00 P.M.	THE CONCLAVE (ROSE ROOM) 216, A.J.C. BOSE ROAD, KOLKATA - 700 017

II) EXTRA ORDINARY GENERAL MEETING :

Financial Year	Date and Time	Venue
2014 - 2015	—	—
2013 - 2014	—	—
2012 - 2013	—	—

10. SHARE PRICE DATA

There was no trading of the Equity Shares of the Company with The Calcutta Stock Exchange for the period from 01-04-2015 to 31-03-2016, we give hereunder market information on Equity Share prices recorded with Bombay Stock Exchange during April, 2015 - March, 2016. Trading on The Bombay Stock Exchange was permitted with effect from 03-07-2008.

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April	567.00	565
May	338.00	—
June	—	—
July	592.00	304.00
August	328.00	291.10
September	374.00	280.00
October	392.70	324.00
November	374.20	345.00
December	378.00	332.50
January	363.00	340.00
February	415.80	361.90
March	378.00	311.50



REPORT ON CORPORATE GOVERNANCE (Contd.)

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	Value of Shares	% of Shareholding
1-500	293	86.93	12,321	1,23,210	0.19
501-1,000	9	4.02	7,418	74,180	0.12
1,001-2,000	3	2.01	5,300	53,000	0.09
2,001-3,000	—	—	—	—	—
3,001-4,000	—	—	—	—	—
4,001-5,000	—	—	—	—	—
5,001-10,000	—	—	—	—	—
10,001-50,000	4	2.01	1,45,222	14,52,220	2.21
50,001-1,00,000	4	2.01	2,27,034	22,70,340	3.46
1,00,001 and above	6	3.02	61,49,485	6,14,94,850	93.93
TOTAL	319	100.00	65,46,780	6,54,67,800	100.00

12. STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016

Category	No. of Shareholders	No. of Shares	% of Shareholding
PROMOTER HOLDING			
Individual / HUF	3	15,67,457	23.94%
Bodies Corporate	1	33,38,858	51.00%
Total No. of Promoter Holding	4	49,06,315	74.94%
NON PROMOTER HOLDING			
Institution	—	—	—
Mutual Fund / UTI	—	—	—
Financial Institution/Bank	—	—	—
NON-INSTITUTION			
Bodies Corporate	15	12,68,522	19.38%
Indian Public	278	3,30,983	5.05%
NRI / OCB / Foreign National	01	460	0.01%
Central Govt. / State Govt.	01	40,500	0.62%
Total No. of Non promoter Holding	295	16,40,465	25.06%
Grand Total	299	65,46,780	100.00%

REPORT ON CORPORATE GOVERNANCE (Contd.)

13. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL. The Investors having multiple folios are advised to consolidate the same.

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

While writing to the Company and/or Registrar and Transfer Agent, investor should mentioned their Folio no., DP ID no., full name, address in the letter and sign the same. Signature should be as per the company's record. In case of joint holders, all the joint holders should sign the documents and in case of transfer, the transfer form accompanied with original share certificates should be delivered to the Registrar and Transfer Agent. Shareholders are requested to also mention their telephone no. and/or e-mail ID, if any, in the correspondence for speedy and immediate communication.

15. Permanent Account Number (PAN)

SEBI has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of such transfer of shares.

Accordingly all shareholders are requested to submit duly attested photocopy (both side) of their PAN card alongwith duly executed transfer form to facilitate the speedy transfer of shares.

Shareholders holding shares in electronic form are required to furnish their PAN details to their Depository Participants with whom they maintain their account alongwith the documents as required by them.

16. Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses, in respect of electronic holdings through their concerned Depository Participants and in respect of physical holdings with ABS Consultant Pvt. Ltd., the Registrar and Transfer Agent of the Company.

Members are requested to please co-operate in this regard and register their e-mail addresses without any further delay to achieve the desired environment friendly initiative of the MCA.


ANNEXURE - 'A1' TO CORPORATE GOVERNANCE REPORT

Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	Norio Shibuya	Swapn Kr. Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Kensuke Yamamoto	Anindita Guhamullick
Din No.	00187727	00187729	01526576	07099850	000811626	01180693	06721947	07091189	07120151
Date of Birth	14.11.1960	07.08.1942	06.04.1984	20.01.1960	00.06.1945	01.09.1933	16.11.1964	28.05.1956	21.03.1982
Original Date of appointment	31.10.2001	01.01.2001	14.08.2008	01.04.2015	09.05.2014	05.10.2006	05.11.2013	13.02.2015	01.04.2015
Qualifications	B.Com (Hons)	B.Com	Bsc (Economics); M.Phil in Economics from Cambridge University	Commerce Graduate from Otaru University	Chemical Engineering from IIT Bombay	B.Com (Hons), FCA	Graduate from Kyoto Institute of Technology, Faculty of Science	Economics Graduate from Tokyo University	Masters in Law
Experience Shareholding in the Company	30 years 497541 eq. Share	51 years 497541 eq. Share	10 years 572375 eq. Share	30 years Nil	45 years Nil	50 years Nil	25 years Nil	35 years Nil	7 years Nil
Remuneration Last drawn	3,50,000/- p.m.	3,50,000/- p.m.	3,50,000/- p.m.	Nil	Nil	Nil	Nil	Nil	Nil
Terms of appointment / Re-appointment	As per contract	As per contract	As per contract	Appointed as MD w.e.f. 01.04.2015	Regularised as Director & ID w.e.f. 20.09.2014	Appointed as Independent Director w.e.f. 20.09.2014	Regularised as Director w.e.f. 20.09.2014	Will be Regularised as Director w.e.f. 18.09.15	Will be Regularised as Director & ID w.e.f. 18.09.2015
Relationship of other Director	Mr. Shanti Prasad Agarwala - father; Mr. Varun Agarwal - Son	Mr. Padam Kr. Agarwala - Grandson	Mr. Shanti Prasad Agarwala - Grand father; Mr. Padam Kr. Agarwala - Father	Nil	N.A.	N.A.	N.A.	N.A.	N.A.

Name	Padam Kr. Agarwala	Shanti Prasad Agarwala	Varun Agarwal	Norio Shibuya	Swapn Kr. Bhowmik	Manas Kumar Dutta	Ryosuke Matsubayashi	Kensuke Yamamoto	Anindita Guhamullick
Directorship held in other company	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Superior Tea & Allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt. Ltd. 6. Ellenbarrie Tea & Industries Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Superior Tea & Allied Industries 4. Ellenbarrie Cryogenics Ltd. 5. Gunjan Suppliers Pvt. Ltd. 6. Ellenbarrie Tea & Industries Ltd. 7. Ellenbarrie Tea Co. Ltd.	1. Varun Tea Plantation Ltd. 2. Comfort Share Trading Ltd. 3. Ellenbarrie Tea & Industries Ltd. 4. Ellenbarrie Cryogenics Ltd.	Nil	Nil	1. Comfort Share Trading Ltd.	Nil	Nil	1. Russell Credit Ltd. 2. Goldflake Corporation Ltd. 3. Greenacre Holdings Ltd.
Membership in various Committees	No	No	Risk Management Committee	Audit Committee & Risk Management Committee	Nomination & Remuneration Committee	Audit Committee & Remuneration Committee & Stakeholders Relationship Committee	Risk Management Committee	Audit Committee & Nomination Remuneration Committee & Stakeholders Relationship Committee	Audit Committee



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

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

24th May, 2016

We together certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2016 and to the best of our knowledge and belief, we certify that –

1. The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are no transactions entered into by the Company during the financial year ended 31st March, 2016, which are fraudulent, illegal or violative of the Company's Code of Conduct;
4. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Auditor and we have evaluated the effectiveness of the internal control systems of the Company based on feedbacks received from the Company's Internal Auditor and accordingly state that there are no deficiencies in the design or operation of the internal controls, of which we are awareof;
5. There have been no significant changes in internal controls during the year, nor has there been any significant changes in the Accounting policies during the financial year ended 31st March, 2016 which requires to be disclosed in the notes to the financial statements;
6. There have been no instances of frauds, of which we are awareof, for the financial year ended 31st March, 2016.

Place : Kolkata
Date : 24th May, 2016

Norio Shibuya
Managing Director

K. Srinivas Prasad
Chief Financial Officer

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

I, Norio Shibuya, Managing Director of Ellenbarrie Industrial Gases Ltd. has received affirmation of Compliance with the "Code of Business Conduct of Directors and Senior Executives" laid down by the Board of Director from all the Directors & Senior Management Personnel of the Company to whom the same is applicable for the financial year ended 31st March, 2016.

Kolkata

Dated : 24th day of May, 2016

For and on behalf of the Board
NORIO SHIBUYA
Managing Director



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF ELLENBARRIE INDUSTRIAL GASES LTD.

1. We have examined the compliance of conditions of Corporate Governance by Ellenbarrie Industrial Gases Ltd. ("the Company"), for the year ended on March 31, 2016, as stipulated in :
 - Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding Regulation 23(4)) and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the institute of the Chartered Accountants of India
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above.
5. We 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 : 24th day of May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELLENBARRIE INDUSTRIAL GASES LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of ELLENBARRIE INDUSTRIAL GASES LTD. which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a) Note 31 to the financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company by a supplier.
- b) The Company has incurred a net loss during the current and previous year, and the Company's current liabilities exceed its current assets as at the balance sheet date. There has been no default in repayment of loans or interest in respect of loans. The financial statements of the Company have been prepared on a going concern basis.

My opinion is not modified in respect of these matters.

As required by the Companies (Audit Report) Order, 2016, I report that :

- I)
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. However for its new unit at Hyderabad the fixed asset register is under compilation.
 - b) The fixed assets have been physically verified by the management at the year end and no material discrepancy was noticed on such verification.
 - c) The title deeds of the immovable properties are held in the name of the company.
- II) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancy was noticed.
- III) Maintenance of cost records has been specified by the Central Government under sub section (I) of section 148 of the Companies Act, 2013 and such records and accounts are maintained.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- IV) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there is no arrear as at the last day of the financial year for a period of more than six months from the date they became payable.
- V) The company has not defaulted in repayment of loans or borrowings to a financial institution and bank.
- VI) Money raised by way of term loans were applied for the purposes for which they were raised.
- VII) No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- VIII) Managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- IX) All transaction with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, etc. as required by the applicable accounting standards.
- X) The company has made private placement of preference shares during the year under review and the requirement of section 42 of the Companies Act, 2013, have been duly complied with. The amount raised have been used for the purpose for which the funds were raised.
- XI) The company has not entered into any non cash transactions with directors or persons connected with them.

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

Report on Other Legal and Regulatory Requirements

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

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, **barring non compliance of Accounting Standards 15: Re: Retirement Benefits and subject to Note 36 of Notes to Accounts regarding Accounting Standards 22 : Re: Deferred Tax.**
- e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in my opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The company has adequate internal financial control systems over financial reporting in place.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

9/15, Fern Road
Kolkata - 700 019
Dated : 24th day of May, 2016

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

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31.03.2016 ('000 Rs.)	As at 31.03.2015 ('000 Rs.)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	1	1,70,468	65,468
Reserves and Surplus	2	1,36,337	64,324
		<u>3,06,805</u>	<u>1,29,792</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	13,08,540	12,52,066
Deferred Tax Liabilities (Net)	4	2,574	2,574
		<u>13,11,114</u>	<u>12,54,640</u>
CURRENT LIABILITIES			
Short Term Borrowings	5	4,74,631	7,76,477
Trade Payables	6	45,054	63,433
Other Current Liabilities	7	96,915	1,00,005
Short Term Provisions	8	56,022	59,926
		<u>6,72,622</u>	<u>9,99,842</u>
TOTAL		<u>22,90,541</u>	<u>23,84,274</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	9		
Tangible Assets		16,44,441	16,33,487
Intangible Assets		1,596	2,061
Capital Work-in-Progress		28,819	16,338
		<u>16,74,856</u>	<u>16,51,886</u>
CURRENT ASSETS			
Inventories	10	80,966	1,22,778
Trade Receivables	11	2,51,036	2,52,220
Cash and Cash Equivalents	12	18,009	21,398
Short Term Loans and Advances	13	2,65,674	3,35,992
		<u>6,15,685</u>	<u>7,32,388</u>
TOTAL		<u>22,90,541</u>	<u>23,84,274</u>

NOTES TO ACCOUNTS 21 to 37

Notes 1 to 13 are an integral part of the Balance Sheet

In terms of my Report of even date annexed herewith

For A. K. Kumar & Co.
Chartered Accountants
(Firm Regn. No. 308013E)
Anjan Kumar
Proprietor
(M. No. 013166)
9/15, Fern Road
Kolkata - 700 019
Dated : 24th day of May, 2016

On behalf of the Board of Directors

NORIO SHIBUYA PADAM KUMAR AGARWALA
Managing Director Whole Time Director

PRIYANKA JAISWAL K. SRINIVAS PRASAD
Company Secretary Chief Financial Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	For the Year Ended 31.03.2016 (‘000 Rs.)	For the Year Ended 31.03.2015 (‘000 Rs.)
INCOME			
Revenue from Operations	14	9,59,878	8,73,035
Other Income	15	10,543	13,520
Total Revenue		9,70,421	8,86,555
EXPENSES			
Cost of Materials Consumed	16	46,941	52,790
Material Purchased for Trading		82,655	1,90,928
Changes in Inventories of Stock-in-Trade	17	45,370	(70,097)
Employee Benefits Expense	18	82,779	63,703
Finance Costs	19	1,50,989	1,24,772
Depreciation and Amortization Expense	9	71,047	52,715
Other Expenses	20	6,23,806	5,58,508
Total Expenses		11,03,587	9,73,319
(Loss) before Exceptional & Extra Ordinary Items & Tax		(1,33,166)	(86,764)
Exceptional Items		—	—
Extra Ordinary Items		—	—
(Loss) before Tax		(1,33,166)	(86,764)
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
(Loss) for the year from Continuing Operations		(1,33,166)	(86,764)
Earnings Per Share (Rs.)			
Basic		(20.34)	(13.25)
Diluted		(20.34)	(13.25)

NOTES TO ACCOUNTS 21 to 37

Notes 9 and 14 to 20 are an integral part of the Profit & Loss Statement

In terms of my Report of even date annexed herewith

For A. K. Kumar & Co.

Chartered Accountants
(Firm Regn. No. 308013E)

Anjan Kumar

Proprietor

(M. No. 013166)

9/15, Fern Road

Kolkata - 700 019

Dated : 24th day of May, 2016

On behalf of the Board of Directors

NORIO SHIBUYA
Managing Director

PADAM KUMAR AGARWALA
Whole Time Director

PRIYANKA JAISWAL
Company Secretary

K. SRINIVAS PRASAD
Chief Financial Officer

CASH FLOW STATEMENT for the year ended 31st March, 2016

	Year Ended 31.03.2016 '000 Rs.	Year Ended 31.03.2015 '000 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before Tax	(1,33,166)	(86,764)
Adjustments For		
- Depreciation	71,047	52,715
- Interest Expense	1,50,989	1,24,772
- Interest Income	(4,737)	(4,241)
- Sundry balance w/off		
- Loss/ (Profit) on Sale of Fixed Assets	(5,063)	(6,288)
- Dividend	—	—
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	79,070	80,194
Movements in working capital :		
- Increase/(decrease) in trade payables	(18,380)	2,983
- Increase/(decrease) in short-term borrowings	(3,01,846)	1,84,218
- Increase/(decrease) in other current liabilities	(3,091)	(11,386)
- Increase/(decrease) in short term provisions	(3,903)	7,276
- (Increase)/decrease in trade receivables	1,184	(1,20,913)
- (Increase)/decrease in inventories	41,812	(60,806)
- (Increase)/decrease in Subsidy Receivable	85,904	(38,800)
- (Increase)/(decrease) in short-term loans & advances	(14,596)	79,393
CASH GENERATED FROM OPERATIONS	(1,33,846)	1,22,159
- Direct Taxes Paid (Net)	(991)	(844)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,34,837)	1,21,315
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchases of Fixed Assets	(81,673)	(4,23,023)
- Increase in CWIP	(13,338)	(15,513)
- Sale of Fixed Assets	6,057	6,936
- Interest Received	4,737	4,241
NET CASH USED IN INVESTING ACTIVITIES	(84,217)	(4,27,359)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from 9% Redeemable Cumulative Preference Share Issue	3,15,000	—
- Proceeds from Long term borrowings	59,154	9,85,592
- Repayment of Long term borrowings	(38,185)	(5,48,650)
- Payment of Interest	(1,20,304)	(1,20,410)
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	2,15,665	3,16,532
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,389)	10,488
Opening cash & cash equivalent	21,398	10,911
Closing cash & cash equivalent	18,009	21,399
	3,389	(10,488)

NORIO SHIBUYA PADAM KUMAR AGARWALA PRIYANKA JAISWAL K. SRINIVAS PRASAD
Managing Director Whole Time Director Company Secretary Chief Financial Officer

Dated : 24th day of May, 2016

This is the Cash Flow Statement referred to in my Report of even date.

9/15, Fern Road
Kolkata - 700 019
Dated : 24th day of May, 2016

For A. K. Kumar & Co.
Chartered Accountants
(Firm Regn. No. 308013E)
Anjan Kumar
Proprietor
(M. No. 013166)



NOTES TO BALANCE SHEET as at 31st March, 2016

		As at 31.03.2016 (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)	
1. SHARE CAPITAL				
Authorised				
1,00,00,000	Equity Shares of Rs. 10 each (Previous year 21,00,000 shares)	1,00,000	2,10,000	
15,00,000	9% Cumulative Redeemable Preference Shares of Rs. 100 each (Previous year 4,00,000 shares)	1,50,000	40,000	
Reconstituted converting 1,10,00,000 Equity Shares of Rs. 10 each to 11,00,000 Preference Shares of Rs. 100 each)		<u>2,50,000</u>	<u>2,50,000</u>	
Issued, Subscribed and Paid-up				
65,46,780	Equity Shares of Rs. 10 each (There is no change in number of shares outstanding as at 31st March, 2016 and 31st March, 2015)	65,468	65,468	
10,50,000	9% Cumulative Redeemable Preference Shares of Rs. 100 each	1,05,000	—	
Issued to Holding Company, Air Water Inc., Osaka, Japan Redeemable within 15 years in three instalments : i) end of 7th year : 1/3 of nominal value along with a premium of INR 242/- per share; ii) end of 11th year: 1/3 of nominal value along with a premium of INR 266/- per share; , iii) end of 15th year : 1/3 of nominal value along with a premium of INR 290/- per share		<u>1,70,468</u>	<u>65,468</u>	
a) As at 31st March, 2016 Air Water Inc., Osaka, Japan as the Holding Company holds 33,38,858 shares (51% of shares) (previous year 33,38,858) No other Associate or related parties of Air Water Inc. hold any shares in the Company.				
b) Details of Shareholders holding more than 5% shares in the company :				
	As at 31st March, 2016		As at 31st March, 2015	
Equity Shares of Rs. 10/- each fully paid	No. of Shares	% Holding	No. of Shares	% Holdin
Air Water Inc. (Ultimate Holding Company)	33,38,858	51.00	33,38,858	51.00
Mr. Shanti Prasad Agarwala	4,97,541	7.60	4,97,541	7.60
Mr. Padam Kumar Agarwala	4,97,541	7.60	4,97,541	7.60
M/s. Heaven Commercial Pvt. Ltd.	10,28,068	15.70	10,28,068	15.70
Mr. Varun Agarwal	5,72,375	8.74	5,72,375	8.74

NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

- c) No shares have been allotted other than cash or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- d) No convertible securities has been issued by the company during the year.
- e) No calls are unpaid by any Director and Officer of the Company during the year.

	As at 31.03.2016 (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Financial Statements	1,442	1,442
	<u>1,442</u>	<u>1,442</u>
Capital Redemption Reserve		
As per last Financial Statements	600	600
	<u>600</u>	<u>600</u>
Share Premium		
Received During the year	2,10,000	—
	<u>2,10,000</u>	<u>—</u>
Revaluation Reserve		
As per last Financial Statements	2,31,963	2,31,963
	<u>2,31,963</u>	<u>2,31,963</u>
Foreign Currency Translation Difference		
As per last Financial Statements	(10,973)	3,722
Add / (Less) : Difference Arising during the Year	(4,821)	(14,695)
	<u>(15,794)</u>	<u>(10,973)</u>
General Reserve		
As per last Financial Statements	1,94,847	1,94,847
	<u>1,94,847</u>	<u>1,94,847</u>
Profit & Loss Account		
As per last Financial Statements	(3,53,555)	(2,66,791)
Add : (Loss) for the year	(1,33,166)	(86,764)
Net Deficit	<u>(4,86,721)</u>	<u>(3,53,555)</u>
Total	<u>1,36,337</u>	<u>64,324</u>



NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

	As at 31.03.2016 (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)
3. LONG-TERM BORROWINGS		
Secured		
From Banks		
A) From Bank of Tokyo Mitsubishi UFJ (Secured by corporate / bank guarantee from Holding Company)	2,12,265	2,00,291
B) From Japan Bank for International Cooperation (Secured by corporate / bank guarantee from Holding Company)	3,18,399	3,00,436
C) From Sumitomo Mitsui Banking Corporation (Secured by corporate / bank guarantee from Holding Company)	1,10,000	1,10,000
D) From WBFC (Secured by hypothecation & mortgage of movable assets procured under Equipment Refinance Scheme)	—	2,200
E) Car Loan from Banks (Secured by hypothecation of vehicles purchased under the Scheme.)	453	1,074
F) From Barclays Bank Plc (Secured by corporate / bank guarantee from Holding Company and pledge of personal assets of some Directors)	4,62,174	3,97,452
G) From Kotak Mahindra Bank (Secured by corporate / bank guarantee from Holding Company)	2,05,249	2,40,613
	<u>13,08,540</u>	<u>12,52,066</u>

Term of Repayment

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

NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

- C) From Sumitomo Mitsui Banking Corporation
Repayable in 10 HY installments of Rs. 1,10,00,000 each starting September 2017 and ending March 2022
- D) From WBFC :
Repaid in full during the year
- E) Car Loan from Banks:
i) Rs. 2.72 Lacs, repayable in monthly EMIs of Rs. 0.16 Lacs each (including interest), maturing August 2017
ii) Rs. 1.81 Lacs, repayable in monthly EMIs of Rs. 0.40 Lacs each (including interest), by November 2016
- F) From Barclays Bank Plc
i) USD 1.6 Million, repayable in single installment maturing in October 2016
ii) USD 5.37 Million, repayable in single installment maturing in April 2016 with option to roll over
- G) From Kotak Mahindra Bank
i) USD 2.2 Million, repayable in semi-annual instalment of USD 2,80,773 each maturing by March 2017
ii) USD 0.8 Million, repayable in semi-annual instalment of USD 94,227 each maturing by March 2020
- There has been no default in repayment of loan or interest in respect of any of the above loans.

	As at 31.03.2016 (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)
4. DEFERRED TAX LIABILITIES (NET)		
On difference in depreciation	5,067	5,067
On provision for Bad / Doubtful Debts	(1,824)	(1,824)
On Employee Benefits	(669)	(669)
	<u>2,574</u>	<u>2,574</u>
Deferred Tax liability / (asset) adjusted to Profit & Loss during the year	<u>—</u>	<u>—</u>



NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

	As at 31.03.2016 (‘000 Rs.)	As at 31.03.2015 (‘000 Rs.)
5. SHORT TERM BORROWINGS		
SECURED		
Cash Credit from Bank of Baroda (Secured by hypothecation of Stocks and Book Debts and personal guarantee of three Directors.)	1,65,078	1,11,177
In Current Account with Banks (Cheques Overdrawn) (Unconfirmed Rs: 205413)	623	—
Short Term Loan from Sumitomo Mitsubishi Banking Corporation	1,00,000	1,00,000
(Secured by corporate guarantee from Air Water Inc., Japan)		
Short Term Loan from Bank of Tokyo Mitsubishi UFJ (Secured by corporate guarantee from Air Water Inc., Japan)	—	2,45,000
UNSECURED		
Loan from Directors	2,08,930	3,20,300
	<u>4,74,631</u>	<u>7,76,477</u>
There has been no default in repayment of loan or interest		
6. TRADE PAYABLES		
For Goods & Services	45,054	63,434
	<u>45,054</u>	<u>63,434</u>
7. OTHER CURRENT LIABILITIES		
Deposit from Customers	85,998	88,578
Advance from Customers	8,783	6,705
Duties & Taxes Payable	2,134	4,722
	<u>96,915</u>	<u>1,00,005</u>
8. SHORT TERM PROVISIONS		
Bonus	1,500	1,562
Gratuity	5,139	5,563
Provision for Expenses	—	3,989
Central Excise Duty	2,417	1,845
Provisions for Taxation	46,966	46,966
	<u>56,022</u>	<u>59,925</u>

NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

9. DETAILS OF FIXED ASSETS

	COST			DEPRECIATION			BALANCE	
	As at 01.04.2015 '000 Rs.	Additions '000 Rs.	Adjustment '000 Rs.	As at 31.03.2016 '000 Rs.	As at 01.04.2015 '000 Rs.	Additions '000 Rs.	As at 31.03.2016 '000 Rs.	As at 31.03.2015 '000 Rs.
Tangible Assets :								
Freehold Land	1,61,074	—	—	1,61,074	—	—	1,61,074	1,61,074
Leasehold Land	1,22,901	—	—	1,22,901	2	—	1,22,899	1,22,899
Buildings	1,31,318	1,654	—	1,32,972	16,735	4,220	1,12,017	1,14,583
Roads	410	—	—	410	43	40	327	367
Computers and Software's	5,688	893	—	6,581	4,819	494	1,268	869
Electrical Installations and Equipments	96,416	3,399	—	99,815	27,849	9,823	62,143	68,567
Furniture & Fittings	4,714	484	—	5,198	2,753	355	2,090	1,961
Motor Vehicles	11,065	—	3,707	7,358	7,651	622	2,099	3,414
Office Equipments	1,994	97	—	2,091	1,583	115	393	411
Plant and Machinery	17,65,947	75,761	3,685	18,38,023	6,06,604	54,671	11,80,131	11,59,343
Sub- Total	23,01,527	82,288	7,392	23,76,423	6,68,039	70,340	16,44,441	16,33,488
Intangible Assets :								
Computers Software	4,606	242	—	4,848	2,545	707	1,596	2,061
Work in Progress	16,337	13,338	856	28,819	—	—	28,819	16,337
Total as on 31.03.2016	23,22,470	95,868	8,248	24,10,090	6,70,584	71,047	16,74,856	—
Total as on 31.03.2015	18,88,616	6,68,457	2,34,603	23,22,470	6,21,904	52,715	6,70,584	16,51,886



NOTES TO BALANCE SHEET as at 31st March, 2016 (Contd.)

	As at 31.03.2016 ('000 Rs.)	As at 31.03.2015 ('000 Rs.)
10. INVENTORIES		
(As taken, Valued & certified by the Management)		
Raw Materials (At cost)	3,868	1,045
Finished Goods & Work in Progress (At lower of cost or net realisable value)	34,364	16,603
Trading Goods (At cost)	32,306	95,438
Shares & Securities (At lower of cost or market value)	348	348
Stores & Spares (At cost)	10,080	9,344
	<u>80,966</u>	<u>1,22,778</u>
11. TRADE RECEIVABLES		
Unsecured, considered good :		
Outstanding for a period exceeding six months	84,317	81,279
Others	1,77,621	1,81,843
	<u>2,61,938</u>	<u>2,63,122</u>
Less : Provision for Bad & Doubtful Debts	10,902	10,902
	<u>2,51,036</u>	<u>2,52,220</u>
12. CASH AND CASH EQUIVALENTS		
Balance with Banks :		
In Current Account (Unconfirmed Rs. : 625626)	4,133	1,773
In Unpaid Dividend Account	137	137
In Margin Deposit Account	13,165	18,752
Cash in hand	574	736
	<u>18,009</u>	<u>21,398</u>
13. SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Security Deposits	50,630	40,132
Advance against supply of Goods and Services	1,14,286	1,11,254
Prepaid Expenses	3,892	3,100
Loans & Advances to Employees	544	270
Advance Income Tax & TDS	51,472	50,481
Subsidy Receivable	44,850	1,30,754
	<u>2,65,674</u>	<u>3,35,991</u>

NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2016

	Year ended 31.03.2016 ('000 Rs.)	Year ended 31.03.2015 ('000 Rs.)
14. REVENUE FROM OPERATIONS		
Sale of Products	8,37,796	7,95,111
Sale of Traded Goods	1,50,513	1,00,097
	<u>9,88,309</u>	<u>8,95,208</u>
Other Operating Revenues (Net)	46,597	49,678
Total Revenue	10,34,906	9,44,886
Less : Excise Duty	75,028	71,851
	<u>9,59,878</u>	<u>8,73,035</u>
15. OTHER INCOME		
Interest Income		
On Banks Deposits	1,165	1,168
On Others	3,571	3,073
	<u>4,736</u>	<u>4,241</u>
Profit on sale of Fixed Assets (Net)	5,063	6,288
Excess Liabilities and Unclaimed Balances written back	80	5
Sundry Receipts	17	783
Duty Draw back Receipt	637	479
Insurance Claim Received	9	1,724
	<u>5,806</u>	<u>9,279</u>
	<u>10,542</u>	<u>13,520</u>
16. COST OF MATERIAL CONSUMED		
Calcium Carbide	12,039	35,237
Gases	34,902	17,553
	<u>46,941</u>	<u>52,790</u>
17. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at the beginning of the year		
Finished Goods	16,603	22,544
Trading Goods	95,438	19,218
Shares	348	530
	<u>1,12,389</u>	<u>42,292</u>
Inventories at the end of the year		
Finished Goods	34,364	16,603
Trading Goods	32,306	95,438
Shares	348	348
	<u>67,018</u>	<u>1,12,389</u>
	<u>45,370</u>	<u>(70,097)</u>



NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2016 (Contd.)

	Year ended 31.03.2016 ('000 Rs.)	Year ended 31.03.2015 ('000 Rs.)
18. EMPLOYEE BENEFITS EXPENSES		
Salaries, Bonus & Wages	63,230	50,748
Gratuity	446	1,451
Contribution to Provident & Other Funds	1,341	953
Directors Remuneration	16,800	9,975
Staff Welfare Expenses	962	576
	<u>82,779</u>	<u>63,703</u>
19. FINANCE COST		
Interest Expenses		
On Term Loans	69,756	35,493
On Cash Credit	20,080	22,241
On Unsecured Loan	27,164	50,720
On Truck / Car Loans	33	238
	<u>1,17,033</u>	<u>1,08,691</u>
Exchange Difference on Foreign Currency Loans		
Exchange Fluctuation-Repayment of Foreign Currency Loans	3,271	11,718
Amortisation of Translation Difference on Foreign Currency Loans	30,685	4,363
	<u>33,956</u>	<u>16,081</u>
	<u>1,50,989</u>	<u>1,24,772</u>
20. OTHER EXPENSES		
Consumable Stores - Consumed	7,537	18,192
Excise Duty on Closing Stock	653	1,852
Power consumed	5,07,317	4,71,356
(Less: Subsidy Receivable)	(25,465)	(41,725)
Repair Building	436	190
Repair Machinery	9,607	8,260
Repair Others	1,622	190
Transportation Charges (Net)	44,698	27,644
Selling Expenses	10,935	6,916
Rent	2,081	709
Rates & Taxes	10,412	4,798
Insurance	2,804	3,232
Travelling & Conveyance	4,488	3,752

NOTES TO PROFIT & LOSS STATEMENT for the year ended 31st March, 2016 (Contd.)

	Year ended 31.03.2016 ('000 Rs.)	Year ended 31.03.2015 ('000 Rs.)
Auditor's Remuneration :		
As Statutory Audit Fees	100	100
As Tax Audit Fees	25	20
Others	74	60
Bank Charges	5,700	7,124
Provision for Doubtful Debts	—	5,000
Directors Sitting Fees	464	271
Other Misc Expenses	40,318	40,567
	<u>6,23,806</u>	<u>5,58,508</u>

21. Significant accounting policies

a) **Accounting Convention**

The accompanying financial statements has been prepared as a going concern and in accordance with historical cost convention and on accrual basis using Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and relevant provisions thereof.

b) **Fixed Assets**

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets. Major improvements in production facilities are capitalized.

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any.

Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

c) **Depreciation**

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

**NOTES TO ACCOUNTS** as at and for the year ended 31st March, 2016

The Management estimates useful lives for fixed assets as follows¹ :

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

¹ Useful lives of assets are estimated based on internal assessment and technical evaluation. The Management believes that the useful lives as given above best represents the period over which the Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of the Schedule II of Companies Act, 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed at periodical intervals.

d) Investments

Investments are stated at cost.

e) Inventories

- i) Raw Material and Trading Goods are valued at cost.
- ii) Finished Goods are valued at lower of cost or net 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.

f) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise. The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortized over the balance period of the long-term monetary items.

g) Retirement Benefit

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

h) Borrowing Cost

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

i) Revenue Recognition

Revenue from the sale of products is recognized on transfer of significant risks and rewards of ownership to customer.

j) Provisions

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best judgment required to settle the obligation at the balance sheet date. The estimate and associated assumptions are reviewed at each balance sheet date and adjusted to current estimates.

k) Deferred Tax

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that future taxable income will be available to realize such assets.



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

22. Particulars of Raw Materials Consumed :

	2015 - 2016		2014 - 2015	
	Quantity	Value (‘000 Rs.)	Quantity	Value (‘000 Rs.)
Indigenous (Cu.m.)	36,24,325	26,030	37,11,627	31,225
(Kg.)	16,72,680	8,872	10,63,955	7,865
Imported (Kg.)	87,800	12,039	3,36,700	13,700

23. Value of stores & spares consumed

	Value (Rs.)	Percentage	Value (Rs.)	Percentage
Indigenous	7,537	100.00%	18,192	100.00%
Imported	—		—	

24. Value of Import on CIF basis :

	2015 - 16	2014 - 15
a) Capital Goods	2,755	1,42,921
b) Trading Goods	50,132	1,42,571
c) Spares	370	—
d) Raw Material	12,272	10,951

25. Earning in Foreign Currency

Revenue from Export on F.O.B basis	34,954	38,631
------------------------------------	--------	--------

26. Expenditure in Foreign Currency

Travelling Expenses	269	654
Trading Goods	50,132	1,42,571
Raw Materials	12,272	10,952
Spares	370	—
Advance for Capital Goods	—	1,42,921
Term Loan Repayment	49,632	3,37,683
Interest & Bank Charges	26,103	25,666
Business Development Expenses	—	332
Fees & Subscription	195	167

27. Dividend remittance to Non-resident shareholders NIL NIL

28. There is no undisclosed item of Income or Expenditure which exceeds 1% of the Revenue from operations or Rs. 100000, whichever is higher.

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

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

30. Contingent Liabilities :

Claims against the Company not acknowledged as debts :

	2015-16 '000 Rs.	2014-15 '000 Rs.
Tax Disputes :		
Central Excise Duty & Service Tax	36,166	34,476
Sales Tax & VAT	18,425	40,890
Income Tax	6,027	6,027
Other Disputes :		
Supplier Claims	35,000	35,000
	95,618	1,16,393

Forums where tax disputes are pending are summarized below :

Name of The statute	Nature of Dues	Amount in '000 Rs.	Period which the amount relates	Forum where dispute pending
Sales Tax & Value Added Tax Laws	Sales Tax, VAT & Purchase Tax	452 5,165 6,210 2,297 2,894 1,407	2005 - 06 2010 - 11 2011 - 12 2012 - 13 2010 - 12 2013 - 15	Revision Board C T O ACCT,Telengana
Central Excise Act, 1944	Excise Duty	17,897	2003-04 to 2010-11	CESTAT
Central Excise Act, 1944	Excise Duty	16,310	2006-07 to 2011-12	Upto Appellate Commissioners
Finance Act, 1994	Service Tax	1,959	2009-10 to 2011-12	Upto Appellate Commissioners
Income Tax Act, 1961	Income Tax	6,027	Assessment Years 2010-11 to 2012-13	Upto Appellate Commissioners
		60,618		

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

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



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

32. Earning per Share :

(i) (Loss) after Tax attributable to Equity Shareholders ('000 Rs.)	(133,166)	(86,764)
(ii) Weighted average number of Equity Shares of Re.10 each outstanding at end of the period	6,546,780	6,546,780
(iii) Basic / Diluted Earning per Share (in Rs.)/[(ii) / (i)]	(20.34)	(13.25)

33. Related Party disclosure :

Information in accordance with the requirement of Accounting Standard 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India.

a) List of related parties

Holding Company / Ultimate Holding Company

Air Water Inc., Japan

Associates

Superior Tea & Allied Industries Pvt Ltd.

Gunjan Suppliers Pvt Ltd.

Varun Tea Plantations Ltd.

Ellenbarrie Cryogenics Ltd.

Comfort Share Trading Ltd (Certificate of Commencement yet to be received)

Ellenbarrie Tea & Industries Ltd.

b) Key Management Personnel

Shri Norio Shibuya - Managing Director

Shri Padam Kumar Agarwala - Executive Director

Shri Shanti Prasad Agarwala - Executive Director

Shri Varun Agarwal - Executive Director

Shri K. Srinivas Prasad - Chief Financial Officer

Mrs. Priyanka Jaiswal - Company Secretary

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

c) Transactions with related parties :

Nature of Transactions	Holding Company	Associates	Key Management Personnel
Salaries / Remuneration	—	—	19,010
	—	—	(11,910)
Equipment Hiring	—	2,000	—
	—	(2,000)	—
Office Rent paid	—	180	—
	—	(24)	—
Interest Paid on Loans	—	0	27164
	—	(2,798)	(47,687)
Loans Received during the year	—	—	—
	—	—	—
Guarantees & Collaterals received during the year	43,116	—	—
	(9,55,722)	—	—
Balances Outstanding at the end of the year :			
Advance for Value to be Received	—	2,261	—
	—	(2,261)	—
Trade Payables	—	—	0
	—	—	(122)
Borrowings	—	—	2,08,930
	—	—	(3,20,300)
Guarantees & Collaterals outstanding	17,65,711	—	—
	(14,93,646)	—	—

Note : Figure in brackets relate to corresponding previous year.

34. Segment Reporting :

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

a) The Company has two primary business segments :

- (i) Gases and related products



NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

- (ii) Sheets
Gases and related products comprise manufacture, sale and trading of Industrial, Medical and Special gases as well as related products.
- b) Other represents unallocable items not included in the segments.
- c) The Company operates predominantly within the geographical limits of India, and accordingly secondary segment has not been considered.

SEGMENT REPORTING

PARTICULARS	Year ended 31.03.2016 '000 Rs.	Year ended 31.03.2015 '000 Rs.
REVENUE EXTERNAL (NET OF EXCISE DUTY)		
Gases and related products	8,51,100	7,92,777
Sheets	1,08,778	80,258
TOTAL	9,59,878	8,73,035
DEPRECIATION		
Gases and related products	71,047	52,715
Sheets	—	—
TOTAL	71,047	52,715
LOSS BEFORE TAX AND EXTRA ORDINARY ITEMS		
Gases and related products	(1,26,974)	(88,167)
Sheets	(6,192)	1,402
TOTAL	(1,33,166)	(86,765)
NET FIXED ASSESTS		
Gases and related products	16,46,037	16,35,549
Sheets	—	—
TOTAL	16,46,037	16,35,549
CURRENT ASSETS		
Gases and related products	5,52,979	6,37,649
Sheets	62,706	94,739
TOTAL	6,15,685	7,32,388
CURRENT LIABILITIES		
Gases and related products	6,72,622	9,58,683
Sheets	—	41,159
TOTAL	6,72,622	9,99,842
CAPITAL EXPENDITURE		
Gases and related products	81,673	4,23,023
Sheets	—	—
TOTAL	81,673	4,23,023

NOTES TO ACCOUNTS as at and for the year ended 31st March, 2016 (Contd.)

35. Valuation of Shares & Securities at Note 10 above contains some shares which are valued at cost in view of suspension of trading of such shares on recognized stock exchange.
36. In view of inability to assess future taxable income, the extent of deferred tax assets which may be adjusted in subsequent years is not ascertainable with virtual certainty at this stage and accordingly in keeping with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the same has not been recognized in these accounts on prudent basis.
37. Previous year's figures are re-grouped and re-arranged, wherever necessary.

Notes 1 to 37 as above

In terms of my Report of even date annexed herewith

For A. K. Kumar & Co.
Chartered Accountants
(Firm Regn. No. 308013E)
Anjan Kumar
Proprietor
(M. No. 013166)
9/15, Fern Road
Kolkata - 700 019
Dated : 24th day of May, 2016

On behalf of the Board of Directors

NORIO SHIBUYA Managing Director	PADAM KUMAR AGARWALA Whole Time Director
PRIYANKA JAISWAL Company Secretary	K. SRINIVAS PRASAD Chief Financial Officer