

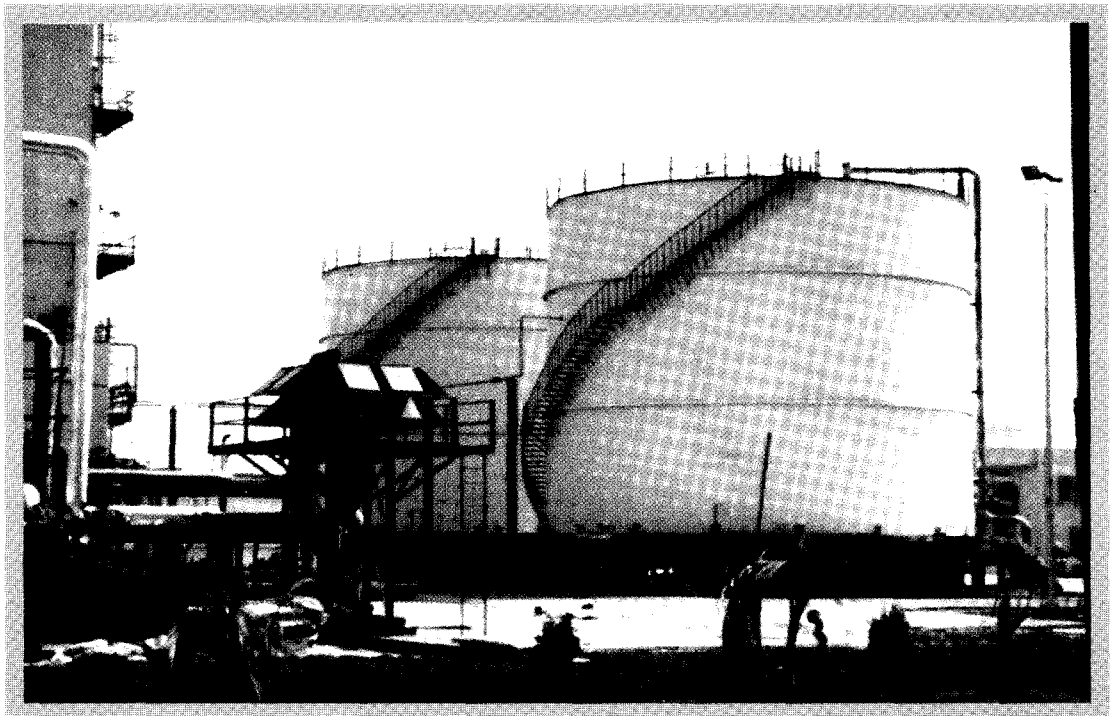


ELLEBARRIE INDUSTRIAL GASES LTD

37th Annual Report 2010-2011



VIZAG PLANT



VIZAG PLANT



ELLENBARRIE INDUSTRIAL GASES LTD

DIRECTORS

Shri Shanti Prasad Agarwala, *Managing Director*
Shri Padam Kumar Agarwala, *Joint Managing Director*
Shri Indrajit Mookerjee, *Joint Managing Director*
Shri Varun Agarwal, *Executive Director*
Shri Ajit Khandelwal
Shri Manas Kumar Dutta
Shri Rajesh Jhunjhunwaia
Shri Sovan Kumar Dutta, *Nominee of WBFC*

AUDITORS

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

SECRETARY

Shri Anjan Kumar Bandyopadhyay

REGISTERED OFFICE

3A, Ripon Street
Kolkata - 700 016

FACTORY

Kalyani Works

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

Uluberia Works

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

Parwada Works

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

PRINCIPAL BANKER

Bank of Baroda

SHARE TRANSFER AGENT

ABS Consultant Pvt. Ltd.
99, Stephen House, 6th Floor
4, B.B.D. Bag (East)
Kolkata - 700 001

NOTICE

Notice is hereby given that Thirty Seventh Annual General Meeting of the Company will be held at THE CONCLAVE (Rose Room), 216, Acharya Jagadish Chandra Bose Road, Kolkata - 700 017 on Friday the 30th September, 2011 at 3.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2011 and also the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri Manas Kumar Dutta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ajit Khandelwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. A. K. Kumar & Company, Chartered Accountants as Statutory Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
5. To declare dividend on Equity Shares for the year ended 31st March, 2011.

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

By Order of the Board

S. P. AGARWALA
Managing Director

NOTES :

- a. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company.
Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting. Blank proxy form is enclosed.
- b. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2011 to 30th September, 2011 (both days inclusive).
- c. The Dividend for the year ended 31st March, 2011 if declared at the meeting will be payable to those Members whose names appear in the Company's Register of Members as on 19th September, 2011 and in respect of Shares held in dematerialised form to the beneficial owners whose names appear in the Statements to be furnished by the depositories for this purpose as at the end of the business hours on 19th September, 2011. The dividend declared at the Annual General Meeting shall be paid on or after 5th October, 2011.
- d. The Equity Shares of the Company can be dematerialised by the Shareholders under ISIN NO. INE236E01014 with National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for which they may contact the depository participant of either of the above depositories.



NOTICE (Contd.)

- e. Shareholders who hold Shares in dematerialised form may please note that Company mandatorily will be printing on the dividend warrants as advised by the Securities and Exchange Board of India (SEBI), the Shareholder's Bank account details as furnished by the respective Depositories to the Company. The Company will not act on any request received directly from the Shareholders for any changes in their bank account details.
- f. Shareholders who continue to hold shares in physical form are requested to intimate any change in their address to the Registrar and Share Transfer agent immediately. Shareholders holding shares in dematerialised form are required to get their change of address recorded with their Depository participant.
- g. Shareholders holding shares in more than one account are requested to intimate to the Registrar of the Company Ledger folios to enable the Company to consolidate the same into one account.
- h. Members are requested to bring their Attendance Slips together with their copies of the Annual Report at the meeting.
- i. No Brief Case or Bag or Mobile Phone will be allowed to be taken inside the meeting room.
- j. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, as amended, the dividend amounts which remain unpaid / unclaimed for a period of 7 years, are required to be transferred to the Investors Education and Protection Fund of the Central Government. After that there remains no claim of the members whatsoever on the said amount. Accordingly, the Dividend for the financial year 2003 - 2004 which remains unclaimed is due to be transferred to the said account after 30th September, 2011 and for further years commencing from 2004 - 2005 onwards on their respective due dates.

Members who have not claimed / encashed their final Dividend so far for the financial year ended 31st March, 2005 or any subsequent financial year(s) may approach the Companies for obtaining payments thereof before expiry of the stipulated 7 years period.
- k. Members may avail facility of nomination in terms of Section 109A of the Companies Act 1956, by nominating in the Form 2B (given elsewhere in the Annual Report) any person to whom their shares in the Company shall vest in the event of their death.
- l. A corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the Corporate member sends certified true copy of the Board Resolution / Power of Attorney authorising the representative to attend and vote at the Annual General Meeting.
- m. Members who hold shares in dematerialised form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio Number in the attendance Slip for attending the Meeting.
- n. All correspondence with regard to Share Transfer / dividend and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agent ABS CONSULTANT PVT. LTD., 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East) Kolkata - 700 001.
- o. The securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market, Members holding shares in electronic form are, therefore requested to submit the PAN to their depository participants, Members holding shares in physical form can submit their PAN details to the Company.

NOTICE (Contd.)

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

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



DIRECTORS' REPORT

DEAR SHAREHOLDERS

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

FINANCIAL RESULTS

	<i>Amount (Rs. in lacs)</i>	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Total Revenue inclusive of Excise Duty	7,030.44	5,351.25
Turnover inclusive of Excise Duty	6,405.44	4,973.25
Other Income	625.00	378.00
Profit before Taxation	419.91	200.81
Provision for Taxation	84.90	35.80
Balance brought forward from previous year	141.32	14.61
Profit available for appropriation	476.33	179.62

APPROPRIATION

Dividend	32.73	32.73
Dividend Tax	5.31	5.57
Transfer to General Reserve	140.00	—
Balance carried forward	298.29	141.32

PERFORMANCE

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

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

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

DIVIDEND

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

DIRECTORS' REPORT (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts, the applicable accounting standards except AS-15 and AS-22 have been followed and there have been no material departure.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the financial year ended on 31st March, 2011.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

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

DIRECTORS

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

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

AUDITORS AND AUDITORS REPORT

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

As regards Auditor's comment on non-compliance of AS-15, present accrued liability for future payment of gratuity has been actuarially ascertained as Rs. 25,82,241 which has been accounted for but not yet funded.

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



DIRECTORS' REPORT (Contd.)

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

- a) After the increase in the installation of capacitors at Uluberia and Visakhapatnam Plant power consumption per cu.m of liquid production has reduced significantly.
- b) Energy conservation is an on-going process and there is a continuous effort to create awareness and also through Production Planning, Inventory Management etc.
- c) Foreign Exchange Earning : Rs. 24,74,640 FOB Basis.
- d) Foreign Exchange Expenditure : Rs. 8,43,52,121

MD / CFO CERTIFICATION

As per the requirements of Clause 49 of the listing agreement on Code of Corporate Governance, the certification made in the prescribed format in respect of the Financial Statements and Cash Flow Statements for the financial year ended 31st March, 2011 is annexed herewith as Annexure 'A'.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR

Corporate Governance is set out as annexure for the report.

ACKNOWLEDGEMENT

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

Kolkata - 700 016

Dated : 3rd day of September, 2011

On behalf of the Board

S. P. AGARWALA
Chairman

ANNEXURE - 'A' TO THE DIRECTORS' REPORT

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

MD / CFO Certification

- (a) We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially unfair statement or any material fact or statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of the Internal Control Systems of the Company and have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
 - (i) Significant changes in internal control during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein if any of the management or an employee having a significant role in the Company's internal control system, if any.

Kolkata - 700 016
Dated : 3rd day of September, 2011

S. P. AGARWALA	P. K. GHOSH
Managing Director	Chief Financial Officer