



**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](http://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](http://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](mailto: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](mailto: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.

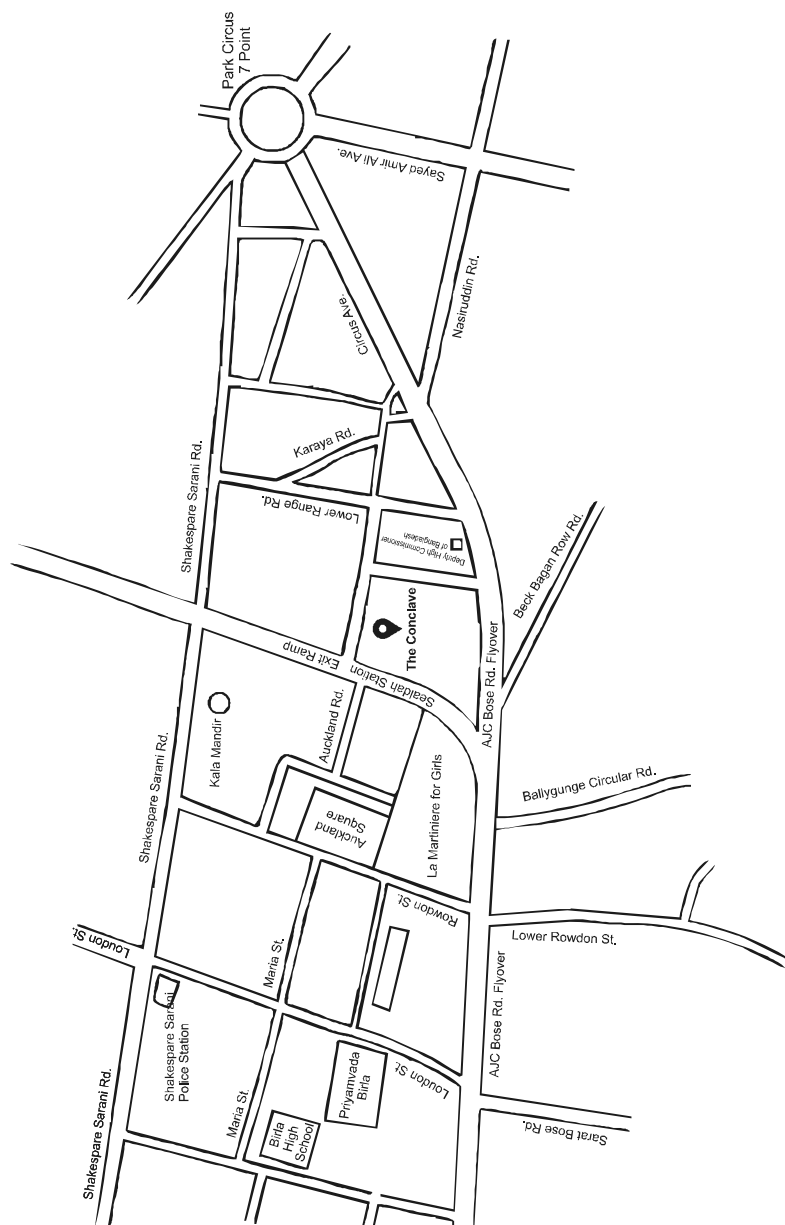
**NOTICE (Contd.)**

- 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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.