

ANNUAL REPORT

FOR THE PERIOD ENDED 31ST MARCH, 2001





Board of Directors

SHRI B. K. JALAN, Chairman & Managing Director
 SHRI SUKHENDU RAY
 SHRI A. K. KANORIA
 SHRI A. C. MUKHERJI
 SHRI H. P. KALIKA

Company Secretary

SHRI S. K. SARMA

Auditors

S. B. DANDEKER & CO.
 P-36, India Exchange Place
 Kolkata - 700 001

Solicitors

KHAITAN & CO.
 1B, Old Post Office Street
 Kolkata - 700 001

JHUNJHUNWALA & CO.
 7C, Kiran Shankar Roy Road
 Kolkata - 700 001

Bankers

HDFC BANK LTD.
 ICICI BANK LTD.

Registered Office

8, B. B. D. Bag (East)
 Kolkata - 700 001

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NOTICE

TO THE MEMBERS

Notice is hereby given that the 39th ANNUAL GENERAL MEETING of the Members of Asiatic Oxygen Limited will be held at Conference Hall of The Bhawanipur Gujarati Education Society, "Gujarat Centre" 5, Lala Lajpatrai Sarani, Kolkata - 700 020 on Saturday, the 29th September, 2001, at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the Profit & Loss Account for the period ended 31st March, 2001 and the Balance Sheet as at that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri A. C. Mukherji, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sukhendu Ray, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors of the Company and to fix their remuneration.

Registered Office :
8, B. B. D. Bag (East)
Kolkata - 700 001
29th August, 2001

By Order of the Board
S. K. SARMA
Company Secretary

NOTES :

1. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.
2. The Share Transfer Book and the Register of Members of the Company will remain closed from 21st September, 2001 to 29th September, 2001 both days inclusive.



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Report together with the Audited Accounts of the Company, for the eighteen months period ended 31st March, 2001.

FINANCIAL RESULTS

	(Rs. in Lacs)
Surplus for the period before Interest & Depreciation	35.27
Less : Interest	64.93
Gross Profit /(Loss) before Depreciation	(29.66)
Less : Depreciation	13.82
Net Loss for the period	(43.48)
Profit brought forward from the previous period	216.05
Balance carried to Balance Sheet	172.57

DIVIDEND

In view of loss, your Directors regret their inability to recommend any dividend.

OPERATIONS

Sales & Other Income for the period was Rs. 642.35 lacs as against the previous period of Rs. 1931.17 lacs (including Rs. 1140.52 lacs against the slump sale of Ranipet Unit). Surplus before interest and depreciation was Rs. 35.27 lacs compared to Rs. 209.72 lacs for the previous period. Net loss for the period was Rs. 43.48 lacs as against profit of Rs. 8.19 lacs for the previous period.

Sales & Profitability were affected because the Company was operating only the Plant of Indian Space Research Organisation at Mahendragiri. Durgapur Unit where the lock-out was continuing, became unviable and the Management had no option, but to declare closure of the said Unit.

In terms of resolution passed at the Extra Ordinary General Meeting dated 27th February, 1998, the Agreements with Praxair India Ltd. have either been implemented or are in the advanced stage of implementation.

The Company is making all efforts and assessing opportunities either on its own or through joint venture for setting up new profitable projects in the industrial gases, specially a Captive Plant to ensure long term profit for its products.

DEPOSITS

During the period the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder. The Company has repaid all the deposits in terms of the order dated 4th January, 1991 from the Company Law Board, Eastern Region Bench, Kolkata.



PARTICULARS OF EMPLOYEES

The particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are given as an Annexure to this Report. However, as per provision of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company, excluding the aforesaid information. Those shareholders, who are interested in obtaining such particulars may write to the Company Secretary, at the Company's Registered Office.

THE LISTING OF SHARES

The Equity Shares of the Company are listed with Calcutta Stock Exchange. The Listing Fee for the Current Year has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is stated :

- i) That in the preparation of the accounts for the period ended 31st March, 2001, the applicable accounting standards have been followed ;
- ii) 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 a true and fair view of the state of affairs of the Company at the end of the period and of the loss of the Company for that period ;
- iii) 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 ;
- iv) That the Directors have prepared the accounts for the period ended 31st March, 2001 on a going concern basis.

CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement relating to Corporate Governance is not applicable to the Company.

DIRECTORS

Pursuant to the Section 256 of the Companies Act 1956, Shri A. C. Mukherji and Shri Sukhendu Ray, retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s. S. B. Dandekar & Co., Auditors of the Company, retire and are eligible for re-appointment.

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

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

APPRECIATION

The Directors wish to place on record their appreciation of the co-operation received from all the employees and wish to thank them for their sincere efforts and loyalty.

Kolkata
The 29th day of August, 2001

For and on behalf of the
Board of Directors
B. K. JALAN
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the eighteen months period ended 31st March, 2001.

A. CONSERVATION OF ENERGY

Energy Conservation measures taken

The only energy used in Industrial Gases is in the form of electricity.

The Company has always been making continuous efforts to reduce consumption of electricity.

B. TECHNOLOGY ABSORPTION

(1) Research & Development (R&D)

- (a) The Company is not carrying out any Research and Development.
- (b) Future Plan and Action – None
- (c) Expenditure on R&D – Nil

(2) Technology absorption, adaption and innovation

The Company has not imported any technology during last five years.

C. FOREIGN EXCHANGE

There was no scope of export for Industrial Gases as it was not economical. The total Foreign Exchange outgo during the eighteen months period was Rs. 5.54 Lacs.

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AUDITORS' REPORT

TO THE MEMBERS OF ASIATIC OXYGEN LIMITED

We have audited the Balance Sheet of ASIATIC OXYGEN LIMITED as at 31st March, 2001 and the Profit & Loss Account of the said Company for the eighteen months ended on that date, both annexed hereto :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters to the extent applicable to the Company specified in the paragraphs 4 & 5 of the said Order.
2. In our opinion, and to the best of our information and according to the explanations given to us, the annexed accounts read with the Notes thereon and subject to the Notes to Accounts and comments in the preceding paragraphs give the information in the manner so required and give a true and fair view :-
 - a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2001.
 - b) in the case of the Profit & Loss Account of the Loss of the Company for the eighteen months ended on that date.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion, proper books of accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of those books.
5. The Balance Sheet and Profit & Loss Account are in agreement with the books of accounts.
6. In our opinion the Profit & Loss Account and Balance Sheet are drawn up in compliance with the accounting standards specified in sub-section 3C of Section 211 of the Companies Act, 1956.
7. In accordance with the representations made by the Directors of the Company and taken on record by the Board of Directors and in accordance with the information and explanations given to us, the Directors of the Company are not disqualified from being appointed as Directors within the meaning of clause (g) of sub-section 1 of Section 274 of the Companies Act, 1956.

P-36, India Exchange Place
Kolkata - 700 001
29th August, 2001.

For and on behalf of
S. B. DANDEKER & CO.
Chartered Accountants
V. V. BAPAT
Partner

ANNEXURE REFERRED TO IN PARA - 1 OF THE AUDITORS' REPORT

1. The Company has maintained proper records to show full particulars including quantitative details and situation of the Fixed Assets. All the assets have not been physically verified by the management during the eighteen months ended 31st March, 2001 but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and nature of the assets. There have been no material discrepancies between the book records and such physical verification.
2. None of the Fixed Assets have been revalued during the eighteen months ended 31st March, 2001.
3. The stock of finished goods, stores, spare parts and raw materials have been physically verified during the eighteen months ended 31st March, 2001 by the management. In our opinion the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material and these have been properly dealt with in the books of accounts.