

# **ANNUAL REPORT**

FOR THE YEAR ENDED 31ST MARCH, 2008



**Asiatic Oxygen Ltd.**

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REGD. OFFICE : 8. B. B. D. BAG (EAST), KOLKATA - 700 001



Asiatic Oxygen Ltd.

**Board of Directors**

SMT. PADMA JALAN, Chairperson & Managing Director  
 SHRI SUKHENDU RAY  
 SHRI A. K. KANORIA  
 SHRI A. C. MUKHERJI  
 SHRI A. K. DALMIA  
 SHRI H. P. KALIKA

**Company Secretary**

SHRI SHAMBHU SINGH (Upto 15.7.08)

**General Manager-Legal and  
Company Secretary**

SHRI PREM KUMAR BAFANA (w.e.f. 16.7.08)

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## Asiatic Oxygen Ltd.

### NOTICE

#### TO THE MEMBERS

Notice is hereby given that the 46<sup>TH</sup> ANNUAL GENERAL MEETING of the Members of Asiatic Oxygen Limited will be held at the Registered Office of the Company at 8, B.B.D. Bag (East), Kolkata – 700001 on Monday the 22nd September, 2008 at 11.00 A.M. to transact the following business :-

#### ORDINARY BUSINESS :

1. To receive and adopt the Profit & Loss Account for the year ended 31st March, 2008 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 Ajay Kumar Kanoria, 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.

#### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution which will be proposed as an ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to the provision of Sections 198, 269, 309, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company hereby approves the re-appointment of Smt. Padma Jalan as Managing Director for a further period of 5 (five) years with effect from 21st September, 2007 on the following terms and conditions :-

##### 1) Period of Office :

5 Years from 21st September, 2007

##### 2) Remuneration :

###### a) Salary :

Rs. 45,000/- (Rupees Forty Five thousand) per month with power to the Board of Directors to grant such increment as they deem fit.

###### b) Commission :

The Managing Director shall also be entitled to a commission on net profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956, subject to the condition that total remuneration by way of Commission along with Salary, Perquisites and Allowances shall not exceed the overall ceiling of 5% of Net Profit of the Company as stipulated in Section 198 and 309 of the Companies Act, 1956.



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**c) Perquisites :**

**I. HOUSING :**

- A) The expenditure by the Company on hiring unfurnished accomodation for Smt. Padma Jalan shall not exceed 60% of her salary over and above 10% payable by her, or
- B) In case the accomodation is owned by the Company, 10% of the salary shall be deducted by the Company, or
- C) In case no accomodation is provided by the Company, Smt. Padma Jalan will be entitled to House Rent Allowance subject to the ceiling laid down in (A) above.
- D) The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be subject to a ceiling of 10% of her salary.

**II. MEDICAL REIMBURSEMENT :**

Reimbursement of actual medical expenses incurred in India or abroad and including hospitalisation, nursing home and surgical charges for herself and family.

**III. LEAVE TRAVEL CONCESSION :**

For self and her family once in a year incurred in accordance with the rules specified by the Company.

**IV. CLUB FEES :**

Fees of Clubs will be subject to a maximum of two clubs. This will not include Admission and Life Membership Fees.

**V. PERSONAL ACCIDENT INSURANCE :**

Premium not to exceed Rs. 4,000/- per annum and such other perquisites and allowances in accordance with the Rules of the Company or as may be approved by the Board of Directors.

**Benefits :**

The following not to be included for the purpose of computation of remuneration or perquisites as aforesaid.

- i) The Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund in accordance with the Rules and Regulations of the Company.
- ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of her tenure of office under the Agreement.



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### Amenities :

Car for use on the Company's business and telephone at residence provided that the use of the car for private purpose and personal long distance calls on the telephone shall be billed by the Company to her. The provision for car and telephone will not however be considered as perquisites

Provided that -

- a) The total remuneration of Smt. Padma Jalan shall not in any year exceed the limits prescribed in Section 198 and 309 of the Companies Act, 1956 for the time being in force or any modifications or re-enactment thereof.
- b) In the event of loss or inadequacy of profits of the Company in any year during the tenure of office, Smt. Padma Jalan shall for that year receive the same salary, benefits and amenities as specified above as minimum remuneration subject to the ceiling laid in Schedule XIII to the Companies Act, 1956 or any statutory modifications, substitutions or re-enactment thereof.

### Explanation :

Perquisites shall be evaluated as per Law.

### Registered Office :

8, B.B.D. Bag (East)  
Kolkata - 700 001  
7th July, 2008

By Order of the Board  
**SHAMBHU SINGH**  
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. Explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of Item No. 5 is annexed and forms part of this notice.
3. The Share Transfer Book and the Register of Members of the Company will remain closed from 15.09.2008 to 22.09.2008 both days inclusive.
4. Members are requested in their own interest :
  - a) To notify the Company about any change in address with correct pin code, mandate/bank details.
  - b) To quote correct Folio No./Client I.D. No. and DP I.D. No. in all correspondence with the Company to facilitate better service to the Members.
  - c) To furnish particulars of Share Certificate(s) and Distinctive No. of Shares held by them, if not already sent to the Company.



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- d) To dematerialise the Equity Shares of the Company.
- e) To make/change nomination in respect of their shareholdings.
- 5. Members who hold shares in the electronic mode are requested to send the intimation for change of address, to their respective depository participant.
- 6. Members holding shares in multiple folios in identical names or joint names are requested to consolidate their shareholdings into one folio.
- 7. Appointment/Re-appointment of Directors :

Shri Ajay Kumar Kanoria and Shri Sukhendu Ray, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), following information is furnished about the Directors proposed to be re-appointed.

**Brief particulars of Shri Ajay Kumar Kanoria**

Shri Ajay Kumar Kanoria, aged 56 is a scion of Kanoria family and a well known and respected business leader. He heads Kanoria Group which has sizeable interest in manufacturing cement, industrial gases and also in Real Estate development. He is a Graduate in Economics and Political Science from St. Xaviers, Calcutta. While in College and upto Graduation in 1974 he took sole charge of two sugar factories viz. Shankar Agro and Partapur Co. Ltd. He held the position of President, East UP Sugar Association, Indian Sugar Mills Association and Advisor to Govt. of India and in 1982 participated in negotiations of GATT's International Sugar Agreement in Geneva and London. He was also past Member of World Economic Forum and the Governing Committees of FICCI, ISMA, AIOE. Presently he is a Member of Governing Committee of Cement Manufacturing Association. Besides, he held Directorship for two terms and Presidentship of Rotary Club of Bombay.

Shri Ajay Kumar Kanoria is on the Board of the following Companies and their Board Committees :-

<b>Company</b>	<b>Position</b>	<b>Committee Membership held</b>
Bagalkot Cement & Industries Ltd.	Chairman & Managing Director	—
Bihar Air Products Ltd.	Vice Chairman & Director	—
Pratap Holdings Ltd.	Director	—
Tirupati Screen Printing Co. Ltd.	Director	—

Shri A.K. Kanoria does not hold any shares in Asiatic Oxygen Ltd. as on 31st March, 2008.



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### Brief particulars of Shri Sukhendu Ray

Shri Sukhendu Ray is a Graduate in Science from the University of Calcutta, and later qualified as a Chartered Accountant from England. He is presently a Fellow Member of the Institute of Chartered Accountants of England & Wales – FCA (England & Wales).

He has over 33 years experience in corporate finance and general management and his age is about 84 years. For about seven years before his retirement he was the Chief Executive and the Managing Director of Guest Keen Williams Limited then a major engineering concern and an associate of the British multinational GKN Group of UK.

He had been for six years a Member of the Indian Advisory Board of Standard Chartered Bank, had sat on the Governing bodies of the Indian Institute of Management, Calcutta and the Indian Institute of Social welfare & Business Management, Calcutta. He had been a Member of the Central Council of the Association of Indian Engineering Industries (now CII), and the Committee of the Bengal Chamber of Commerce & Industry.

Post retirement he had been a Director of many Public Limited Companies and presently is on the Boards of Six Companies.

Directorships Company	Position	Committee Membership held
Henkel India Limited	Director	Audit Committee – Member
Nagarjuna Agrichem Limited	Director	Audit Committee – Member
Stone India Limited	Director	Audit Committee – Chairman Share Transfer and Shareholders/Investors' Grievance Committee - Chairman
Unimers India Limited	Director	Audit Committee – Member
International Combustion (India) Ltd.	Director	Audit Committee – Chairman Share Transfer and Shareholders/Investors' Grievance Committee - Member
Henkel Marketing India Ltd.	Director	

Shri Sukhendu Ray does not hold any shares in Asiatic Oxygen Ltd. as on 31st March, 2008.



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## **EXPLANATORY STATEMENT**

**As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under Item No. 5 of the accompanying Notice dated 7<sup>th</sup> July, 2008.**

### **Item No. 5 :**

The resolution set out in Item No.5 of the accompanying Notice has to be considered accordingly and the Board recommends the same.

Smt. Padma Jalan who was appointed w.e.f. 21<sup>st</sup> September, 2002 as Managing Director in the 41<sup>st</sup> Annual General Meeting expired on 20<sup>th</sup> September, 2007. In order to facilitate smooth functioning of the affairs of the Company, the Board of Directors in the Meeting held on 21<sup>st</sup> August, 2007 finalized the terms and conditions and on 28<sup>th</sup> September, 2007 re-appointed Smt. Padma Jalan as Managing Director w.e.f. 21<sup>st</sup> September, 2007 subject to the approval of the Members in General Meeting. Smt. Padma Jalan was appointed as Managing Director of the Company for a period of 5 (Five) years effective from 21<sup>st</sup> September, 2007, on the terms and conditions as approved and recommended by the Remuneration Committee of the Directors and as set out in the accompanying Notice of the Annual General Meeting.

Smt. Padma Jalan had widely travelled in Europe and USA with commercial background including Export and Import and she is also on the Board of Directors of various Companies.

The Managing Director shall subject to superintendence and control of the Board of Directors of the Company, manage the business and affairs of the Company and shall perform such duties and exercise such powers which have been or may from time to time be entrusted to or vested in her by the Board.

The term of office, remuneration payable etc. are as set out in the resolution in the accompanying Notice of the Annual General Meeting.

The Managing Director so long as she functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or committees thereof. The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by her for the business of the Company.

The appointment and remuneration of Smt. Padma Jalan as Managing Director of the Company require the approval of the Members of the Company in General Meeting in terms of Part III of Schedule XIII to the Companies Act, 1956. The remuneration payable also requires approval of the Members under Section 309 of the Act.

Apart from Smt. Padma Jalan, Shri Ajay Kumar Kanoria being her relative, may be deemed to be interested and/or concerned in the resolution. No other Directors has any interest and/or concern.

The above explanatory statement and the resolution under Item No.5 should also be considered as an abstract of the terms of appointment of Smt. Padma Jalan as required under Section 302 of the Companies Act, 1956.

Registered Office :  
8, B.B.D. Bag (East)  
Kolkata - 700 001  
7th July, 2008

By Order of the Board  
**SHAMBHU SINGH**  
Company Secretary





## Asiatic Oxygen Ltd.

### DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Report together with the Audited Accounts of the Company, for the year ended 31st March, 2008.

#### FINANCIAL RESULTS

(Rs in lacs)

Surplus for the year before Interest, Depreciation & Taxation	245.07
Interest	0.31
Gross Profit before Depreciation & Taxation	244.76
Depreciation for the year	6.29
Profit before Tax for the year	238.47
Provision for Tax – Current	(23.47)
Provision for Tax – Deferred	(3.71)
Provision for Tax – Fringe Benefit Tax	(2.72)
Profit after Tax	208.57
Balance Brought Forward from the previous year	19.91
Balance available for appropriation	228.48
Transferred to General Reserve	200.00
Balance Carried to Balance Sheet	28.48

#### DIVIDEND

In order to conserve resources for growth, your Directors have decided not to recommend any dividend.

#### OPERATIONS

Sales and Other Income for the year were Rs.820.56 lacs as against the previous year of Rs.702.52 lacs. Surplus before Interest, Depreciation and Tax was Rs.245.07 lacs compared to Rs.220.78 lacs for the previous year. Net Profit for the year before Tax was Rs.238.47 lacs as against profit of Rs.213.63 lacs for the previous year.



#### **FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the Public during the year under review.

#### **PARTICULARS OF EMPLOYEES**

No employee of the Company is in receipt of the remuneration prescribed under Section 217(2A) of the Companies Act, 1956.

#### **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.

#### **CODE OF CONDUCT**

In terms of requirement of Clause 49 of the Listing Agreement, the Company, its Management Personnel and the Members of the Board have complied with the Code of Conduct as laid down by the Board of Directors.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, Directors state and confirm : -

- i) that in preparation of the Accounts for the year ended 31st March, 2008, the applicable accounting standards have been followed ;
- ii) that they 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 aforesaid financial year and of the Profit/Loss of the Company for the year ended on that date ;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Accounts for the year ended 31st March, 2008 on a going concern basis.

#### **CORPORATE GOVERNANCE**

A separate report on Corporate Governance is included in the Annual Report and a certificate from the Company's Auditors' certifying the compliance of conditions on Corporate Governance as stipulated in the said Clause 49 of the Listing Agreement is annexed thereto. Relevant provisions of the Companies Act, 1956 are also complied with.