

27th Annual Report

for the year ended 31st March 1999

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BHAGAWATI OXYGEN LIMITED

BHAGAWATI OXYGEN LIMITED

'S'-492A, GREATER KAILASH
NEW DELHI

Blessings

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Board of Directors :

Shri Ramrup Sharma
Shri H. Sharma
Shri J. C. Kaushik
Shri S.K. Gautam (Nominee IDBI)
Shri B.B. Lal (Nominee BSIDC)

Managing Director :

Shri S. K. Sharma

Bankers :

Central Bank of India
Citibank N.A.
Bank of India
State Bank of India
State Bank of Bikaner & Jaipur
PNB/NBI

Auditors :

Chaturvedi & Company
Chartered Accountants
Calcutta

Registered Office :

Plot No. 5, Sector - 25
Ballabgarh 121 004
Haryana

Calcutta Office:

67, Park Street
Calcutta 700 016

Delhi Office :

S-492A, Greater Kailash - 1
New Delhi - 110 048

Works :

1. Plot No. 5, Sector-25
Ballabgarh - 121 004
Haryana
2. Moubhandar, Ghatsila
Bihar

NOTICE**TO THE MEMBERS*****Bhagawati Oxygen Limited***

NOTICE is hereby given that the 27th Annual General Meeting of **BHAGAWATI OXYGEN LTD** will be held on Thursday the 30th September, 1999 at 11.00 A.M. at the Registered Office of the Company at Plot No. 5, Sector-25, Ballabgarh, (Haryana) to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 and Profit & Loss Account for the year ended on that date alongwith the Directors Report and Auditors Report thereon.
2. To appoint Director in place of Shri J. C. Kaushik who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri H. Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the 27th Annual General Meeting till the conclusion of 28th Annual General Meeting and to fix their remuneration.

Dated : 27th August, 1999

By Order of the Board

Place : Calcutta.

Sd/

RAMRUP SHARMA
Chairman

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

2. Members are requested to :

- a) Notify any change in their address to the Company.
- b) Bring their copies of the Annual Report to the meeting as the copies will not be available.
- c) Quote their folio number in all correspondences with the Company
- d) Send share certificate(s) for endorsement thereof if not sent earlier.

3. Members are requested to produce attendance slip at the entrance to the venue.

DIRECTORS' REPORT**TO ALL SHAREHOLDERS****Bhagawati Oxygen Limited**

Your Directors have the pleasure in presenting their 27th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March 1999, and Auditor's Report thereon :

FINANCIAL RESULTS (Rs. in Lacs)

	For the year ended on 31.03.99	For the year ended on 31.03.98
Gross Profit	52.78	135.38
Less :		
Financial Expenses	20.57	33.34
Depreciation	86.19	101.19
Profit/ (Loss)	(53.98)	0.85
Prior year Adjustment	1.37	Nil
Profit/ (Loss) before Tax	(52.61)	0.85
Provision for Tax	-----	0.09
Profit/ (Loss) after Tax	(52.61)	0.76
Add brought forward Profit	98.34	97.58
Balance profit carried over to Balance Sheet	45.73	98.34

REVIEW OF THE WORKING

During the year under review Company has turnover of Rs.221.37 lacs as against Rs. 316.14 lacs in the previous year and there is a net loss of Rs. 52.61 lacs (Last year Profit Rs.0.76 lacs) after providing financial expenses, depreciation and provision for tax. Working of the Company was affected due to shut down of copper smelter of M/s Hindustan Copper Ltd, your Company's main customer, from 21-12-98 to 14-05-99 because of sluggish market, stiff competition and liquidity crunch.

DIVIDEND

In view of the working results no dividend is recommended for the year.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES

Information in accordance with sub-section 2A of section 217 of the Companies Act, 1956, read with the Companies (particulars of Employees) Rules, 1975 forms part of the Directors Report for the year ended March 31st 1999 as given as per Annexure "A" to

this report.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

As required under Companies (Disclosure particulars in the Report of the Board of Directors) Rule 1988, a statement showing the information relating to the Research and Development, Technology Absorption and Foreign Exchange earning and outgo and forming part of the Directors Report is enclosed (Annexure-B). Form A requiring disclosure of particulars with respect to conservation of energy is not applicable in the case of our Company.

INDUSTRIAL RELATIONS

Company's industrial relations continued to be cordial during the year under review.

DIRECTORS

Shri H. Sharma & Shri J. C. Kaushik retires by rotation and being eligible offers themselves for reappointment as Directors.

Bhagawati Oxygen Limited**AUDITORS**

M/s, Chaturvedi & Company, Statutory Auditors of the Company retires at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

YEARS 2000 COMPLIANCE

The Company has been addressing the Y2K compliance issues since January 1999 and will be fully Y2K compliant by September 1999. The future cost of ensuring hardware & software compliance is estimated at Rs. 5 lacs.

APPRECIATION

Your Directors place on record their appreciation to various Central and State Government Authorities, Financial institutions (IDBI, IFCL & ICICI) and Banks for their valuable guidance and assistance during the year. They also gratefully acknowledge the support extended by the customers and shareholders and contributions made by the employees at all levels.

By Order of the Board,
Sd/-

Calcutta
Date : 27.08.99

R. R. SHARMA
Chairman of Meeting

ANNEXURE-A TO DIRECTORS' REPORT

Name	Age	Designation	Qualification	Annual Salary	Date of Joining
Suresh Kumar Sharma	50	Mg. Director	Graduate from Calcutta University	Rs. 2.70 lacs	Since Incorporation.

ANNEXURE-B TO DIRECTORS' REPORT

Particulars as required under Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors Report for the year ended 31.03.99.

Research & Development

- a) Specific area in which R & D carried out by the Company : Research and Development has been continuously carried to reduce evaporation of oxygen gas.
- b) Benefits derived as a result of the above R & D : Loss on account of evaporation has been reduced considerably.
- c) Future Plan on Action : Research & Development activities are continued to reduce process wastage.
- d) Expenditure on R & D : Charged under primary heads of accounts.

Technology, Absorption, Adaption & Innovation

- a) Efforts made towards technology absorption, adaption and innovation : The Company has successfully absorbed the technology of the plant supplied by the supplier.
- b) Benefits derived as a result of the above efforts : Quality of oxygen gas produced is of high standard and acceptable to customers of the Company.
- c) Particulars relating to imported technology : Nil

Foreign Exchange outgo : JPY 1498000

Foreign Exchange earning : Nil

ANNEXURE -C: - INFORMATION AS REQUIRED UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

The securities of the Company are listed in the stock Exchanges as stated below and the annual listing fees has been paid to each of the Exchanges

1) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001

2) The Delhi Stock Exchange Association Ltd
3 & 4/4B Asaf Ali Road
New Delhi-110 002