

# *28th Annual Report*

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for the year ended 31st March 2000

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## **BHAGAWATI OXYGEN LIMITED**

For BHAGAWATI OXYGEN LIMITED



**DIRECTOR**

**Board of Directors :**

Shri R. R. 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**

**NOTICE** is hereby given that the 28th Annual General Meeting of **BHAGAWATI OXYGEN LTD** will be held on Saturday the 30th September, 2000 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 2000 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 H. Sharma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri R. R. 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 28th Annual General Meeting till the conclusion of 29th Annual General Meeting and to fix their remuneration.

**B) SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

**"RESOLVED THAT"** pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Shri Suresh Kumar Shama as Managing Director of the Company, for a period of 5 (five) years with effect from 1st January 2001 on the following terms and conditions as are set out below :

- |    |                    |   |  |
|----|--------------------|---|--|
| 1) | <b>SALARY</b>      | : | Rs. 40,000/- p.m.-to be reviewed after two years.  |
| 2) | <b>PERQUISITES</b> | : | In addition to the aforesaid Salary the following perquisites will be allowed which will be restricted to an amount so that the total of salary and perks shall not exceed Rs.10,50,000/- per annum. |

**CATEGORY 'A'****i) Housing :**

The expenditure incurred by the company on hiring unfurnished accommodation for the Managing Director shall be subject to a ceiling of 60% of the salary, over and above 10% payable by the Managing Director.

The expenditure which may be incurred by the company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary of the Managing Director.

In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

In case no accommodation is provided by the company, the Managing Director shall be entitled to House Rent Allowance subject to a ceiling of 60% of the salary, over and above, 10% payable by the Managing Director.

- ii) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iii) Leave Travel Concession : For Self and family to and fro to any place once in a year in accordance with the rules specified by the Company.
- iv) Club Fees : Fees and subscription of maximum two clubs. This will not include admission and life membership fees.
- v) Mediciam Insurance Coverage : Premium not to exceed Rs. 5000 per annum.

**CATEGORY 'B'**

- i) Company's contribution towards Provident Fund-As per rules of the company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- ii) Company's contribution towards pension/superannuation Fund - Such contribution towards Provident Fund shall not exceed 25% of the salary as laid down by the Income Tax Rules, 1962.
- iii) Gratuity - In accordance with the provisions of the approved fund but shall not exceed half month's salary for each completed year of service.

The above stated prerequisites No. (i) to (iii) shall not be included in the over limit of Rs. 10,50,000/-

**CATEGORY 'C'**

- i) Leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every completed year of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.
- ii) Free use of Company's Car with Driver.
- iii) Free telephone facility at residence.
- iv) Reimbursement of all entertainment and travelling expenses actually incurred by the Managing Director for the business of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period the Company will pay Shri Suresh Kumar Sharma remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** The Board of Directors be and is hereby specifically authorised to alter and vary the terms and conditions of the aforesaid appointment including remuneration of Shri Suresh Kumar Sharma so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendment and /or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Shri Suresh Kumar Sharma

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to take such steps as may be necessary or desirable to give effect to this Resolution.

**NOTES**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2000 to 30th September, 2000 (both days inclusive)
2. Members are requested to intimate to the Company changes, if any, in their Registered Address alongwith Pin Code of Post Office.
3. Members attending the Annual General Meeting are requested to bring their copies of Annual Report.
4. Only Registered Members carrying the attendance slips and the proxies registered with the Company will be permitted to attend the meeting.
5. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT PROXY, WHO NEED NOT BE MEMBER TO ATTEND AND TO VOTE IN HIS/HER PLACE. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.**
6. The instrument of Transfers complete in all respects should be sent to the Company well in advance so as to reach the Company prior to closure of Register of Members.
7. For any further information regarding Accounts intimation may be given to the Company in writing atleast 10 days in advance from the date of the aforesaid meeting so as to enable the management to keep the information ready.
8. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect to special business set out above is annexed hereto.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANY ACT, 1956.**

**Item No 5.**

Shri Suresh Kumar Sharma was appointed as Managing Director of the Company with effect from 1st January 1996 and his term of office expires on 31st December 2000 the Board of Directors has re-appointed Shri Suresh Kumar Sharma for a further period of five years.

The particulars of remuneration payable to and terms of respective appointment have been given in the resolution itself. As per requirement of Section 269 read with Schedule XIII of the Companies Act, 1956 approval of members is required in Annual General Meeting.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Suresh Kumar Sharma pursuant to Section 302 of the Companies Act, 1956.

None of the Directors except Sri R.R. Shama and Sri. H. Sharma who are related to Sri Suresh Kumar Sharma are interested in this resolution.

**INSPECTION OF DOCUMENTS**

A complete copy of the Memorandum and Articles of Association of the Company and the draft Agreement as mentioned in item No. 5 are available for inspection at the Registered Office of the Company from 3.00 P.M. TO 5.00 P.M. on any working day except Saturday.

Registered Office  
Plot No. 5, Sector-25  
Ballabgarh - 121004  
Haryana  
Dated 21st July 2000

By Order of the Board

Sd/-  
Ramrup Sharma  
Chairman

**DIRECTORS' REPORT****TO THE MEMBERS****Bhagawati Oxygen Limited**

The Directors have pleasure in presenting their 28th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March 2000

**FINANCIAL RESULTS (Rs. in Lacs)**

	For the year ended on 31.03.2000	For the year ended on 31.03.99
Gross Profit	96.11	52.78
Less :		
Financial Expenses	19.45	20.57
Depreciation	68.74	86.19
Profit/ (Loss)	7.92	(53.98)
Prior year Adjustment	0.31	1.37
Profit/ (Loss) before Tax	7.61	(52.61)
Provision for Tax	0.91	-----
Profit/ (Loss) after Tax	6.70	(52.61)
Add brought forward Profit	45.73	98.34
Balance profit carried over to Balance Sheet	52.43	45.73

**REVIEW OF THE WORKING**

During the year under review Your Company has achieved turnover of Rs.321.56 lacs as against Rs. 221.37 lacs in the previous year and there is a net profit of Rs. 6.70 lacs (Last year Loss Rs.52.61 lacs) after providing financial expenses, depreciation and provision for tax. Working of the Company was affected due to shut down of copper smelter upto 14-05-99 of M/s Hindustan Copper Ltd, (your Company's main customer) as a consequence of global economic condition and after effect of economic reform resulting into liquidity crunch at their end.

**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 2000 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 in (Annexure-B). Form A requiring disclosure of particulars with respect to conservation of energy is not applicable in the case of your Company.

**YEAR 2000 COMPLIANCE**

The Company had made all the hardware & software related activities Y2K compliant and the roll over to year 2000 was smooth.

**INDUSTRIAL RELATIONS**

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



**DIRECTORS**

Shri H. Sharma & Shri R. R. Sharma retire by rotation and being eligible offers themselves for reappointment as Directors.

The term of office of Shri Suresh Kumar Sharma expires on 31st December 2000 and subject to the approval of members in Annual General Meeting the Board of Directors had in their meeting held on 21st July 2000 reappointed Shri Suresh Kumar Sharma for a period of five years.

**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.

**APPRECIATION**

Your Directors place on record their appreciation to various Central and State Government Authorities, Financial institutions and Banks for their valuable guidance and co-operation 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 : 21st July, 2000

RAMRUP SHARMA  
Chairman of Meeting

**ANNEXURE-A TO DIRECTORS' REPORT**

Name	Age	Designation	Qualification	Annual Salary	Date of Joining
Suresh Kumar Sharma	51	Mg. Director	Graduate from Calcutta University	Rs. 3.00 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 31.03.2000.**

**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 consumers of the Company.

c) Particulars relating to imported technology  
Nil

**Foreign Exchange outgo : US \$ 16192.80  
JPY 42750.00**

**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/B Asaf Ali Road  
New Delhi-110 002