

35th Annual Report

For the year ended 31st March 2007

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BHAGAWATI OXYGEN LIMITED

BHAGAWATI OXYGEN LIMITED

'S' -492A, GREATER KAILASH
NEW DELHI



Corporate Information

Board of Directors:

Shri. S.K.Sharma (Managing Director)
Shri. Himanshu Sharma
Shri. J.C.Kaushik
Shri. B.B.Lal
Shri M P Choudhary (Nominee Director)

Bankers:

Central Bank of India
ICICI Bank Ltd
State Bank of India
State Bank of Bikaner & Jaipur
Union Bank of India

Auditors:

Chaturvedi & Company
Chartered Accountants,
Kolkata.

Listed at:

- 1) The Stock Exchange, Mumbai,
Phiroz Jeejeebhoy Tower,
Dalal Street,
Mumbai-400 001
- 2) The Delhi Stock Exchange Association Ltd.,
DSE House,
3/1 Asaf Ali Road,
New Delhi-110 002

Works:

1. Plot No.5, Sector-25,
Ballabgarh-121 004
Haryana
2. Moubhandar, Ghatsila
Jharkhand - 832303

Offices:

Registered Office	: Plot-5, Sector-25, Ballabgarh; Haryana – 121004.
Kolkata Office	: 67, Park Street, Kolkata – 700016.
Delhi Office	: S-492 A, Greater Kailash – I, New Delhi – 110048.

NOTICE

TO THE MEMBERS

Notice is hereby given that the 35th Annual General Meeting of BHAGAWATI OXYGEN LTD will be held on Saturday, 29th September 2007 at 11:00 AM at the Registered Office of the Company at Plot. 5, Sector - 25, Ballabgarh (Haryana) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the financial year ending on 31st March 2007 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Himanshu Sharma who retire by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass, with or without modification(s), the following as Special Resolution:

"Resolved that the object clause of the Company be change by inserting following sub Clause (28) after sub clause (27) of OTHER OBJECT;

"(28) To carry on the business of generating, trading of electric power using wind turbine generators or through other non conventional energy sources or through generators by consuming diesel etc, for erection and commissioning, fabrication, manufacturing, trading of machineries relating to generation of electric power and to act as consultant for setting up of power projects and turnkey projects."

Registered Office:
Plot No-5, Sector-25
Ballabgarh
Haryana-121004

By the Order of the Board
BHAGAWATI OXYGEN LIMITED

Date: 28th July 2007

S.K. Sharma
CHAIRMAN

Notes:

1. 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 IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2007 to 29th September 2007 (both days inclusive).
3. The instrument of transfer completed in all respect together with requisite enclosure, should be sent to the Company well in advance so as to reach the Company prior to closure of Register of Members
4. Members are requested to intimate to the Company change if any, in their registered address along with pin code and post office.
5. For any further information regarding accounts intimation may be given to the Company in writing at least 10 days in advance from the date of the aforesaid meeting so as to enable the management to keep the information ready.
6. Members attending the Annual General Meeting are requested to bring their copies of Annual Report.
7. Only registered members carrying the attendance slip and proxies registered with the Company will be permitted to attend the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO-4

The Company at present is engaged in the business of producer, manufacturer, processor of oxygen gas and other gases used in Industries. The Company now intends to diversify its activities in area of generating Electric Power by using Wind Turbine Generators or non conventional Energy Sources or by using consuming diesel etc.

The alteration in the object clause of the Memorandum of Association as set out in the resolution is to facilitate diversification. This will enable the Company to carry on its business economically and efficiently and to propose activities under the existing circumstances be conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operation of the Company.

Pursuant to provisions of the Companies Act, 1956, the approval of the members of the Company is required before the commencement of any activity set out in the object clause of the Memorandum of Association of the Company. Approval of members is sought for the amendment of other Object Clause of Memorandum of Association by insertion of the object in Memorandum. The said new business and activities would be commenced at such times or times as the Board may deem fit in the interest of the Company.

The directors recommend this resolution for approval of the members.

None of the directors interested in above resolution.

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DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their 35th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULT

	(Rs. lacs)	
	For the year ended <u>31/03/2007</u>	For the year ended <u>31/03/2006</u>
Gross Profit/ (Loss)	110.72	106.78
Less: Financial Expenses	6.74	2.11
Depreciation	23.13	27.00
Profit/(Loss) before Tax and extraordinary item	80.85	77.67
Less: Provision for Tax	33.24	32.01
Less: Provision for FBT	1.68	1.57
Provision for Deferred Tax Liability/(Credit)	(5.38)	(6.42)
Net Profit/(Loss) after Tax	51.31	50.51
Add: Excess Provision of I.Tax of earlier years	--	0.42
Add: Brought Forward Profit	201.90	150.97
Balance profit carried over to Balance Sheet	253.21	201.90

REVIEW OF THE WORKING

During the year under review the sales and other income of the Company amounted to Rs 418.29 lacs compared to Rs.562.71 lacs in the previous year. After providing for financial charges, depreciation, current and deferred taxation and other adjustments, the Company reported increase in profit after tax and extraordinary item from Rs.50.51 lacs to Rs.51.31 lacs.

DIVIDEND

Due to inadequacy of profit, the Directors regret their inability to recommend any dividend.

PUBLIC DEPOSIT

Your Company has not accepted any deposits from the public.

DEPOSITORY SYSTEM:

The shares of the Company are tradable compulsorily in electronic form and your Company has connectivity with both the depositories, i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

PARTICULARS OF EMPLOYEES

The particulars as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 (as amended) are not applicable as none of the employees of the Company fall under the category prescribed.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance with section 217(2AA) of the Companies Act, 1956 the Directors confirm that:-

- a) In the preparation of the Annual Accounts, the applicable Accounting Standard have been followed.
- b) The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent and so as to give a true and fair view of the state of affairs of the Company as on 31st March 2007 and of the profit of the Company for the year ended 31st March 2007.
- c) The Directors have taken proper and sufficient care for the safeguarding of the assets of the Company and preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

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

As required under Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 a statement showing the information relating to Research and Development, Technology Absorption and Foreign Exchange Earning and outgo and forming part of the Directors Report is enclosed in Annexure – A. Form A requiring disclosure of particulars with respect to conservation of energy is not applicable in case of your company.

INDUSTRIAL RELATIONS

Company's industrial relation continue to be cordial during the year under review.

DIRECTORS

Shri Himanshu Sharma, retires by rotation and being eligible offer himself for re-appointment as a Director.

AUDITORS

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

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation received from various Central and State Government Authorities, Stock Exchanges, Financial Institutions and Banks during the year. They also gratefully acknowledge the support extended by the customers and shareholders and contribution made by the employees at all level.

**By Order of the Board
For BHAGAWATI OXYGEN LIMITED**

Place: Kolkata
Date: 28th July 2007

**S K SHARMA
CHAIRMAN**

ANNEXURE-A 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 31st March 2007.

Research & Development

- a) Specific area in which R & D carried out by the Company: Research and Development has been continuously carried to reduce loss of oxygen gas and improve the quality.
- b) Benefits derived as a result of the above R&D: Losses has reduced in a consistent manner.
- c) Future plan of action: Research & Development activities are continued to reduce process wastage.
- d) Expenditure on R & D: Charged under primary heads of accounts.

Technology, Absorption, Adoption & Innovation

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

Foreign Exchange Outgo : JPY 44.50 lacs Foreign Exchange Earning :NIL.

ANNEXURE-B: 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
Phiroz Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001 | 2) The Delhi Stock Exchange Association Ltd
DSE House, 3/1 Asaf Ali Road,
New Delhi-110 002 |
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