

36th Annual Report

For the year ended 31st March 2008



BHAGAWATI OXYGEN LIMITED

BHAGAWATI OXYGEN LIMITED

'S'-492A, GREATER KAILASH
NEW DELHI

Blessings



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 36th Annual General Meeting of BHAGAWATI OXYGEN LIMITED will be held on Monday 29th September 2008 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 2008 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. J.C.Kaushik 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. "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the appointment of Shri Himanshu Sharma as Whole-Time-Director of the Company, for a period of 5 (five) years with effect from 1st February 2008 subject to terms & conditions as stated in agreement."

"RESOLVED FURTHER THAT Shri Suresh Kumar Sharma, Managing Director of the Company be and is hereby authorised to sign the necessary documents on behalf of the Company.

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 293(1)(e) and other applicable provisions if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized on behalf of the Company to contribute and/or subscribe from time to time in any financial year to any body, institution, society, person, trust or fund or any other charitable or other purpose, not directly related to the business of the Company or welfare of its employees, upto a sum of Rs.20,00,000/- (Rupees Twenty Lacs) in any financial year, notwithstanding such amount exceeds Rs.50,000/- or 5% of the Company's average net profit as determined in accordance with the provision of section 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

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

By the Order of the Board
BHAGAWATI OXYGEN LIMITED

Date:30th July 2008

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 27th September 2008 to 30th September 2008 (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 Board of Directors in its meeting held on 31st January 2008 has appointed Sri Himanshu Sharma, as a Whole Time Director of the company for a period of 5 years w.e f 1st February 2008 to 31st January 2013 on following terms and condition stated in agreement.

1. That the said **SRI HIMANSHU SHARMA** is hereby appointed as the **WHOLE TIME DIRECTOR** of the Company and, as such, **WHOLE TIME DIRECTOR** shall perform the duties and exercise the powers conferred upon him by these presents and also may be assigned to him by the Board of Directors (hereinafter referred to as Board) of the Company from time to time.
2. That the said **SRI HIMANSHU SHARMA** shall hold the said office for a period of **5 YEARS** with effect from **1st day of FEBRUARY 2008**.
3. The **WHOLE TIME DIRECTOR** of the Company shall unless prevented by ill health or in any other inevitable accident beyond his control, throughout the said term, devote so much of his time, energy, attention and abilities to the business of the Company as are necessary and shall obey and perform the orders from time to time of the Board of the Company and in all respects conform to and comply with directions and regulations made by the Board and shall faithfully serve the Company and use his utmost endeavors to promote the interests thereof.
4. Notwithstanding the provisions contained in Paragraph 2 thereof either party may terminate this agreement by giving to the other at least three months notice in writing intimation such intention.
5. Notwithstanding the provisions contained in Paragraph 2 thereof if the **WHOLE TIME DIRECTOR** of the Company shall in the opinion of the Board of the Company fail to perform his obligations under this Agreement to the Company, the Company may be notice in writing forthwith determine these presents. If before the expiry of these presents the tenure of office of the **WHOLE TIME DIRECTOR** of the Company shall be determined by reason of reconstruction or amalgamation whether by the winding up of the Company or otherwise, the **WHOLE TIME DIRECTOR** of the Company shall have no claim on the Company for damages.
6. The **WHOLE TIME DIRECTOR** shall be paid the following remuneration in accordance with part II of Schedule XIII of the Companies Act, 1956.

a) Salary

Rs 30000/- (RUPEES THIRTY THOUSANDS ONLY) per month subject to such periodical increments as may be approved by Remuneration Committee from time to time within the Limits prescribed under Schedule XIII of the Companies Act, 1956 or any statutory modification thereof

b) Perquisites

The **WHOLE TIME DIRECTOR** shall also be entitled to perquisites which are classified in following three categories Part A, B and C

PART - A

- i.) Medical reimbursement
Expenses incurred for self and family in accordance with the rules of the Company.
- ii.) Leave Travel Concession
For self and family, in accordance with the rules of the Company.
- iii.) Leave
In accordance with rules of the Company.
- iv.) Club Fees
Fees of two clubs except fees for admission and Life membership
- v.) Personal Accident Insurance/Medical Insurance in accordance with rules of the Company.

PART - B

- i.) Contribution to Provident Fund in accordance with the Rules of the Company to the extent it is not taxable under the Income Tax Act.
- ii.) Gratuity payable shall not exceed half a month salary for each completed year of service subject to a ceiling as provided in law.

PART- C

The **WHOLE TIME DIRECTOR** shall be provided a car and telephone at his residence for Company's business. Personal long distance calls on telephone and use of car for private shall be billed by the Company to the **WHOLE TIME DIRECTOR**.

- c) In case of inadequate or absence of profits the **WHOLE TIME DIRECTOR** will get the same remuneration as mentioned hereinabove.
- d) The **WHOLE TIME DIRECTOR**, so long he functions as such, shall not be entitled to sitting fees for attending meetings of the Board of Directors of Committees thereof.

7) The **WHOLE TIME DIRECTOR** if appointed in any other Company as **WHOLE TIME DIRECTOR** or Manager shall draw the remuneration from this Company or from the companies does not exceed the higher maximum limit admissible from any one of the Companies of which he is Managerial Personnel.

8) The **WHOLE TIME DIRECTOR**, so long he functions as such, shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

9) Subject to the supervision and control of the Board the day to day management of the Company shall be in the hands of the **WHOLE TIME DIRECTOR**, who shall be entitled to engage and dismiss employees of the Company and shall have the general directions, management and superintendence of the business of the Company, with full powers to do all acts, matters and things deemed necessary proper or expedient for carrying on the business and concerns of the Company and to make and sign all such contracts, and to operate Bank accounts jointly with any other officials or Directors who are authorised in this connection and to draw, accept, endorse and negotiate on behalf of the Company all such bills of exchange, promissory notes, hundies, cheques, drafts, Government Promissory Notes and other Government Papers and other instruments, as shall be necessary, proper or expedient for carrying on the business of the Company. The said **WHOLE TIME DIRECTOR** may with the sanction of the Board delegate any of his powers to such Managers, Directors or other persons, as he may deem fit and proper and shall have power to grant such Manager, or other delegates, such powers of Attorney as may be necessary for the smooth working of the Company after approval of the Board and to cancel, revoke such powers at this pleasure.

10) That without prejudice to the powers contained in the preceding clause, the Board may from time to time entrust to the **WHOLE TIME DIRECTOR** such of the powers exercisable by the Board of Directors as they think fit and may confer such powers for such time and to exercise for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient.

11) Unless otherwise determined by the Board of the Company, the **WHOLE TIME DIRECTOR** shall have the following powers, that is to say:

- a) To take on lease, purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and on such terms and conditions as are approved by the Board.
- b) To buy or procure the supply of plant, machinery, materials, stores, fuel implements and other movable property required for the purpose of the Company and engage or procure the supply of means of transport and Labour requisite for or in subject to such regulations as the Board may prescribe from time to time.
- c) To sell and dispose of goods and commodities manufactured, produced or dealt in by the Company and/or its by products as the Board may authorise from time to time.
- d) To enter into, carry on, rescind or vary all financial arrangements with the Company's business or affairs and pursuant to or in connection with such arrangement and subject as aforesaid to deposit. Pledge or hypothecate any property of the Company or documents representing or relating to the same with the prior approval of the Board.
- e) To compound and allow time for payments or satisfaction of any debt due to or by the Company and any claim or demands by or against the Company to arbitration and observe and perform the awards.
- f) To institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and to sign all plaints written statements, petitions. Affidavits, vakalatnamas, warrants and other appoint and employ counsel, solicitors and other professional persons.
- g) To enter into all such negotiations and contract and rescind or vary all such contracts and execute and do all such acts, deeds and things and in the name and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- h) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities not being shares in this Company and in such manner as he may think fit, and from time to time vary or realise such investments.
- i) To delegate any of his powers and functions capable of being delegated to any persons including the employees of the Company.
- j) Subject to the provisions of Section 293 of the Companies Act, 1956 to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertakings of the Company upon terms and conditions and for such consideration as he may think fit and proper and to sign all documents and papers relating to such sale, exchange, letting out lease, acquisition or disposals as aforesaid.

12) That the **WHOLE TIME DIRECTOR** shall not, however, be entitled to exercise the powers :

- i.) To make calls upon the members of the Company in respect of moneys unpaid on the shares held by them.
- ii.) To borrow or to make loans out of the funds of the Company.
- Or
- iii.) To invest any of the moneys of the Company except within such limits as may from time to time be previously fixed by the Board.

- 13) That subject to the provisions of Section 255 of the Companies Act, 1956, the **WHOLE TIME DIRECTOR** shall not be subject to retirement by rotation, and shall not be reckoned as director for the purpose of determining the rotation of retirement of Directors or in fixing the number of directors to retire, but he shall ipso facto and immediately cease to be the **WHOLE TIME DIRECTOR** if he ceases to hold the office of director from any cause.

As per the requirements of the companies Act, 1956, the appointment of Sri Himanshu Sharma as Whole Time Director is required to be approved by shareholders in general meeting.

The directors recommend this resolution for approval of the members.

Shri Himanshu Sharma is interested in the resolution to the extent of his appointment as Whole Time Director.

No other Director of the Company interested in above resolution.

ITEM NO.-5

Section 293(1)(e) of the Companies Act, 1956 inter alia provides that approval of shareholders is required if the aggregate amount contribute to any charitable or other funds not directly relating to the business of the Company or welfare of employees exceed Rs.50,000/- or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the 3 (three) financial years immediately preceding the year in which the contribution has been made. The Board of Director considers that keeping in the view of Company's obligations to the society at large and other social welfare and charitable funds, the existing limit requires upward revision. Accordingly the Board should be authorized on behalf of the Company to contribute and/or subscribe from time to time in any financial year to any body, institution, society, person, trust or fund for any charitable or other purposes not directly related to the business of the Company or welfare of its employees upto a sum of Rs.20,00,000/- (Rupees Twenty Lacs) in any financial year, notwithstanding such amount exceed Rs.50,000/- or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

None of the Directors of the company is concerned or interested in this Resolution. The Board commends for your approval to this resolution.