

37th ANNUAL REPORT

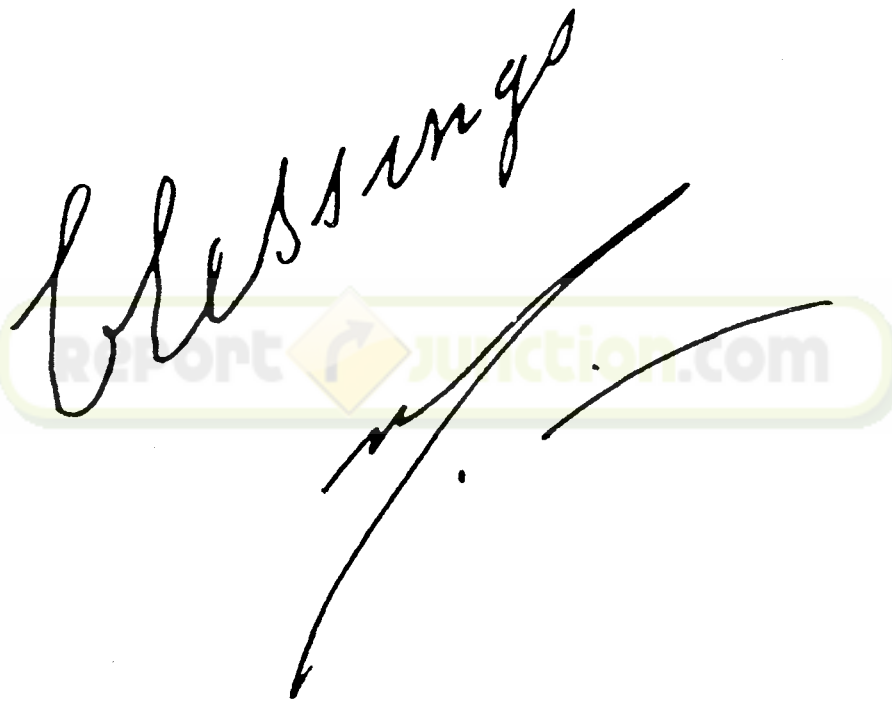
For the year ended 31st March 2009

BHAGAWATI OXYGEN LIMITED

BHAGAWATI OXYGEN LIMITED

'S'-492A, GREATER KAILASH
NEW DELHI

Bhaskar

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Corporate Information

Board of Directors:

Shri. S.K.Sharma (Managing Director)
Shri. Himanshu Sharma (Whole Time Director)
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

Registrars & Share Transfer Agent:

Skyline Financial Services (P) Ltd
246, 1st Floor, Sant Nagar
East of Kailash
New Delhi - 110 065
Ph : +91-11-26292680-83
Fax : +91-11-26292681
Email : admin@skylinerta.com

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 37th Annual General Meeting of BHAGAWATI OXYGEN LIMITED will be held on Wednesday 30th September 2009 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 2009 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. B.B Lal who retire by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

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

By the Order of the Board
BHAGAWATI OXYGEN LIMITED

Date: 30th July 2009

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 25th September 2009 to 30th September 2009 (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.

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their 37th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March 2009.

| FINANCIAL RESULT | | (Rs. lacs) | |
|---|--|--|--|
| | | For the year ended 31/03/2009 | For the year ended 31/03/2008 |
| Gross Profit/ (Loss) | | 181.88 | 312.00 |
| Less: Financial Expenses | | 39.89 | 19.63 |
| Depreciation | | 75.39 | 51.48 |
| Profit/(Loss) before Tax and extraordinary | | 66.60 | 240.89 |
| Less: Provision for Tax | | 13.60 | 27.29 |
| Less: Provision for FBT | | 1.75 | 1.42 |
| Provision for Deferred Tax Liability/(Credit) | | (1.76) | 91.42 |
| Net Profit/(Loss) after Tax | | 53.01 | 120.76 |
| Add: Excess Provision of I. Tax of earlier | | (0.01) | 0.95 |
| Add: Brought Forward Profit | | 373.01 | 253.21 |
| Balance profit carried over to Balance Sheet | | 426.01 | 373.01 |

REVIEW OF THE WORKING

During the year under review the sales and other income of the Company amounted to Rs 792.68 lacs compared to Rs.662.71 lacs in the previous year. After providing for financial charges, depreciation, current and deferred taxation and other adjustments, the Company reported profit after tax and extraordinary item of Rs. 53.00 lacs. The gas plant of your company was under shutdown due to maintenance and overhauling of the plant of the customer M/s. HCL from April 2008 to September 2008 and simultaneously maintenance of the plant of your company was undertaken.

DIVIDEND

Your Directors have not recommended any dividend for the financial year.

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) they 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 2009 and of the profit of the Company for the year ended 31st March 2009.
- c) they have taken proper and sufficient care for the safeguarding for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- d) they 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

Mr. B.B. Lal 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: 30th July 2009

**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 2009.

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 : USD 127457.75, JPY 476300.00

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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