

# Bombay Oxygen Corporation Ltd.



Annual Report & Accounts - 2001

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## **Bombay Oxygen Corporation Ltd.**

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### **DIRECTORS :**

MR. SHYAM M. RUIA, **Chairman**  
MR. IBRAHIM A. RAHIMTOOLA  
MR. MOHAN BIR SINGH  
MR. AMRIT R. KINI (Upto 15.01.2002)  
MR. AJIT M. GHELANI  
MR. R. P. KHATOR, **Joint Managing Director**

### **COMPANY SECRETARY:**

MR. ARUN S. AGARWAL

### **AUDITORS :**

K. G. SHAH & CO.

### **SOLICITORS :**

KANGA & CO.

### **BANKERS :**

THE BANK OF RAJASTHAN LTD.  
UNION BANK OF INDIA  
BANK OF MAHARASHTRA  
BANK OF INDIA  
ALLAHABAD BANK

### **REGISTERED OFFICE :**

L.B.S. MARG  
MULUND (W)  
MUMBAI 400 080

### **FACTORIES :**

MULUND (MUMBAI), KALWE (THANE),  
KHOPOLI, PUNE, NIRA, TARAPUR & NAGPUR

The practice of distributing copies of the Annual Report at the Annual General-Meeting has been discontinued in view of the high cost of paper and printing. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

**Bombay Oxygen Corporation Ltd.****NOTICE**

NOTICE is hereby given that the FORTYFIRST ANNUAL GENERAL MEETING of BOMBAY OXYGEN CORPORATION LIMITED will be held at Walchand Hirachand Hall, Lalji Naranji Memorial, Indian Merchants' Chamber Building, 76, Veer Nariman Road, Churchgate, Mumbai-400 020 on Wednesday, the 26th June, 2002 at 11.30 A.M. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st December, 2001 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Ajit M. Ghelani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration.

**Registered Office :**

L.B.S. Marg, Mulund (W)  
Mumbai 400 080.

By Order of the Board of Directors

ARUN S. AGARWAL  
Company Secretary

**Mumbai, 28th March, 2002.**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Dividend, if sanctioned, will be made payable at the Bank of Rajasthan Ltd., Mumbai and at any of its specified branches in India on or after 5th July, 2002 to those members whose names stand on the Register of Members of the Company on 26th June, 2002.
3. The Share Transfer Books of the Company will remain closed from Thursday, 20th June, 2002 to 26th June, 2002 (both days inclusive).
4. The Dividend warrants remaining unpaid (upto 28th Dividend) with the Company have been transferred to General Revenue Account of the Central Government pursuant to the provisions of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have not still encashed their 29th to 35th Dividend warrants are requested to send the same to the Company for revalidation.

**Bombay Oxygen Corporation Ltd.****DIRECTORS' REPORT**

Your Directors have pleasure in submitting this FORTYFIRST ANNUAL REPORT together with the Audited Accounts for the year ended 31st December, 2001.

**FINANCIAL RESULTS :**

	<b>For the year ended 31st December, 2001 (Rs. in '000)</b>	<b>For the year ended 31st December, 2000 (Rs. in '000)</b>
Profit/(Loss) before depreciation and tax	<b>4184</b>	6592
Provision for depreciation	<b>1884</b>	4931
Provision for taxation	<b>730</b>	675
Provision for Deferred taxation	<b>673</b>	—
Net Profit/(Loss)	<b>897</b>	986
Transfer from General Reserves	<b>1500</b>	1653
Balance available for appropriation	<b>2397</b>	2639

**Appropriations :**

Proposed Dividend	<b>1500</b>	1500
Tax on Dividend	<b>NIL</b>	153
Balance transferred to General Reserve	<b>897</b>	986
	<b>2397</b>	2639

**PERFORMANCE :**

Due to continued recessionary trend and more particularly sluggishness in the steel industry, sales for the year under review was Rs. 110,697 thousands as against Rs. 118,758 thousands in the previous year. This represents downward trend by 6.79% compared to the previous year.

**DIVIDEND :**

Your Directors recommend payment of Dividend of **Rs. 10/-** (Previous Year Rs. 10/-) per equity share in accordance with Companies (Declaration of Dividend out of Reserves) Rules, 1975. The proposed Dividend, if approved, at the Annual General Meeting, will absorb **Rs. 1500** thousands (Previous year Rs. 1,653 thousands inclusive of Dividend Tax).

**DIRECTORS :**

Mr. Amrit R. Kini has passed away during the period. The Board of Directors acknowledge his services rendered to the Company with gratitude and place on record their appreciation of his services.

Your Director Mr. Ajit M. Ghelani retires this year by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.

**Bombay Oxygen Corporation Ltd.****FIXED DEPOSITS :**

21 Deposits amounting to Rs. 148 thousands due for repayment on or before 31st December, 2001 were not claimed by the depositors on that date. As on the date of this report Rs. 72 thousands thereof have been claimed and paid.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Particulars required to be disclosed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto which form part of this report.

**GENERAL :**

The Company has no employee covered under Section 217(2A) of the Companies Act, 1956. The assets of the Company are adequately insured.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Your Directors hereby declare :

- (i) that in the preparation of the annual accounts, all applicable accounting standards have been followed.
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year of the profit and loss of the Company for that period.

However, during the year, the Company has changed the method of Depreciation from the written down Value method to the Straight Line Method in respect of assets of the Kaiwe unit and the transport tanks installed after 31.03.1993 at Mulund. This has resulted into less provision of Depreciation by Rs. 6135 thousands for the year and correspondingly higher profits to that extent.

- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

**AUDITORS :**

M/s. K. G. Shah & Co., Chartered Accountants, Statutory Auditors of the Company, retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

Mumbai, 28th March, 2002.

On behalf of the Board

S. M. RUIA  
Chairman

**Bombay Oxygen Corporation Ltd.****ANNEXURE TO THE DIRECTORS' REPORT**

**PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST DECEMBER, 2001.**

**A. CONSERVATION OF ENERGY :**

The Company continues to lay emphasis on the conservation of energy and has been taking several measures like monitoring of consumption, power factor and up-to-date maintenance of all systems. However, due to steep increase in rate of electricity, saving on account of reduction in power consumption were not substantial.

Total energy consumption and energy consumption per unit of production.

The required information is given in prescribed Form 'A'.

**B. TECHNOLOGY ABSORPTION :****RESEARCH & DEVELOPMENT**

The Company continues to lay emphasis on Research & Development.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION AND BENEFITS DERIVED THEREFROM :**

The Company does not have any imported technology. Therefore, the question of its absorption and adaptation does not arise.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	Rs. in '000
Total Foreign Exchange earned .....	NIL
Total Foreign Exchange used .....	2,184

## Bombay Oxygen Corporation Ltd.

## FORM 'A'

## TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :

## A. POWER AND FUEL CONSUMPTION :

			Current year	Previous year
1. Electricity :				
(a) Purchase :				
Unit	'000		13818	14066
Total Amount	Rs. '000		58074	61362
Rate			4.20	4.36
(b) Own Generation :				
(i) Through Diesel Generator :				
Unit			NIL	NIL
Units per Ltr. of Diesel Oil			NIL	NIL
Cost/Unit			NIL	NIL
(ii) Through Steam Turbine/Generator :				
Unit			NIL	NIL
Units per Ltr. of Fuel/Gas			NIL	NIL
Cost/Unit			NIL	NIL
2. Coal (specify quantity and where used) :				
Qty. (Tonnes)	}			
Total cost			NIL	NIL
Avg. Rate				
3. Furnace Oil :				
Qty.	}			
Total cost			NIL	NIL
Avg. Rate				
4. Others/Internal Generation (Please give details) :				
Qty.	}			
Total cost			NIL	NIL
Avg./Unit				

## 5. CONSUMPTION PER UNIT OF PRODUCTION :

Since the Company manufactures various types of Industrial Gases such as Industrial Oxygen, Medical Oxygen, Dissolved Acetylene, Nitrogen, Compressed Air etc., it is impracticable to indicate product-wise unit consumption of electricity.

On behalf of the Board

Mumbai, 28th March, 2002

S. M. RUIA  
Chairman

## Bombay Oxygen Corporation Ltd.

### AUDITORS' REPORT TO THE MEMBERS OF BOMBAY OXYGEN CORPORATION LIMITED

We have examined the attached Balance Sheet of Bombay Oxygen Corporation Limited as at 31st December, 2001, and the annexed Profit and Loss Account for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet and Profit & Loss Account under report are in agreement with the books of account;
  - (d) in our opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of Note 3 of Schedule 20 relating to change in method of providing depreciation on fixed assets at Kalwe and transport tanks installed after 31.03.1993 at Mulund, the depreciation charge for the year is lower by Rs. 6,135 (000) and profit for the year is higher to that extent;
  - (f) on the basis of information and explanations given to us, and representations obtained by the Company, there are no Directors of the Company who, as at 31st December, 2001, are disqualified under section 274(1)(g) of the Act from being appointed as directors.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Schedules 1 to 20 attached, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2001  
and
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For K. G. SHAH & CO.  
Chartered Accountants

K. G. SHAH  
Proprietor

**Mumbai, 28th March, 2002.**



**Bombay Oxygen Corporation Ltd.****Annexure referred to in paragraph 1 of Auditors' Report of even date to the members of Bombay Oxygen Corporation Limited on the accounts for the year ended 31st December, 2001.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed between book records and physical inventory.
2. The fixed assets of the Company have not been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles followed in India and is on the same basis as in the preceding year.
7. The Company has not taken/granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 are not applicable to a company on or after the commencement of the Companies (Amendment) Act, 1999.
8. The Company has given loans or advances in the nature of loans to its employees, repayment of which is regular as stipulated. In case of dues to be recovered from an ex-employee, the Company has taken necessary steps to recover the same.
9. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
10. There are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.
11. The Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods and necessary provision for the loss arising on the items so determined has been made in the accounts.
12. The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder with regard to deposits accepted from the public.
13. The Company has maintained reasonable records for the sale and disposal of realisable by-product and scrap.
14. The Company has an internal audit system commensurate with its size and nature of its business.