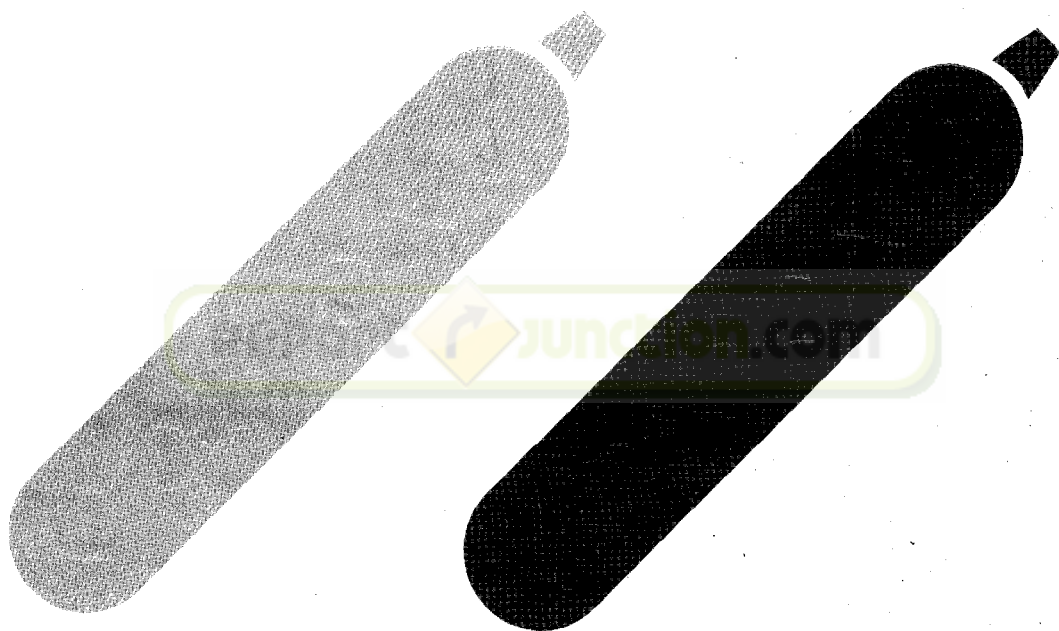


Bombay Oxygen Corporation Ltd.



Annual Report & Accounts - 2002-2003

Bombay Oxygen Corporation Ltd.

DIRECTORS :

MR. SHYAM M. RUIA, **Chairman**
MR. IBRAHIM A. RAHIMTOOLA
MR. MOHAN BIR SINGH
MR. AJIT M. GHELANI
MR. NIRMAL P. JHUNJHUNWALA
MR. R. P. KHATOR, **Joint Managing Director**

AUDITORS :

K. G. SHAH & CO.

SOLICITORS :

KANGA & CO.

BANKERS :

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

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 FORTY-SECOND 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 1st October, 2003 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 Fifteen months period ended 31st March, 2003 and the Balance Sheet as on 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. Ibrahim A. Rahimtoola, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

5. "RESOLVED THAT Mr. Nirmal P. Jhunjhunwala, in respect of whom the Company has received a Notice in writing from a member along with a deposit of Rs. 500/- proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the Company who shall be liable to retire by rotation in accordance with the provisions contained in the Articles of Association of the Company".

Registered Office :

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

On Behalf of the Board,

AJIT M. GHELANI
Director

Mumbai, 12th August, 2003.

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 3rd October, 2003 to those members whose names stand on the Register of Members of the Company on 1st October, 2003.
3. The Share Transfer Books of the Company will remain closed from Thursday, the 25th September, 2003 to Wednesday, the 1st October, 2003 (both days inclusive).
4. Proxies, in order to be effective, must be received at the Registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

Bombay Oxygen Corporation Ltd.

5. The Dividend warrants remaining unpaid (upto 29th 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.
6. The Dividend warrants, Interest warrants and Matured deposits remained unpaid or unclaimed for more than seven years with the Company have been transferred to the Investor Education & Protection Fund of the Central Government pursuant to the provisions of the Investor Education and Protection Fund (Awareness & protection of investors) Rules, 2001. Those shareholders who have not still encashed their 30th to 36th Dividend warrants and fixed depositors who have not encashed their interest warrants and/or fixed deposits are requested to send the same to the Company for revalidation.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 5

At the Board of Directors meeting held on 12th August 2003, Mr. Nirmal P. Jhunjhunwala was appointed as an Additional Director of the Company and he holds the office of the Director upto the ensuing Annual General Meeting. The Company has also received a Notice for the appointment of Mr. Nirmal P. Jhunjhunwala as a Director of the company.

Mr. Nirmal P. Jhunjhunwala is a commerce Graduate having wide experience in business administration. Broadly having an in-depth knowledge of the Financial market, he is a member and office bearer of the Western India Chamber of Commerce.

The Board feels that his knowledge and experience would be of immense value and benefit to the Company and accordingly recommends the Resolution for your approval.

Mr. Nirmal P. Jhunjhunwala is deemed to be concerned or interested in the proposed Resolution.

None of the other Directors of the Company is concerned or interested in the said Resolution.

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

Your Directors have pleasure in submitting this FORTY-SECOND ANNUAL REPORT together with the Audited Accounts for the Fifteen months period ended 31st March, 2003.

FINANCIAL RESULTS :

	For the period ended 31st March, 2003 (15 months) (Rs. in '000)	For the year ended 31st December, 2001 (12 months) (Rs. in '000)
Profit/(Loss) before depreciation and tax	8233	4184
Provision for depreciation	2259	1884
Provision for taxation	1500	730
Provision for Deferred taxation	1192	673
Net Profit/(Loss)	3282	897
Transfer from General Reserves	1692	1500
Balance available for appropriation	4974	2397
Appropriations :		
Proposed Dividend	1500	1500
Tax on Dividend	192	NIL
Balance transferred to General Reserve	3282	897
	4974	2397

PERFORMANCE :

Your Directors are happy to inform you that long pending disputes with Messer Griesheim, Germany have been amicably settled. Consequent upon this, your Company restarted the commissioning activities on its tonnage oxygen plant at Kalwe. This has been successfully commissioned during the month of June, 2003 for commercial production of Liquid Oxygen, Liquid Nitrogen & Liquid Argon. The demand from the consuming industries for liquid gases at present is quite encouraging.

During the fifteen months period under review, sales were Rs. 128,774 (000) as against Rs. 110,697 (000) in the previous year of twelve months. The Profit before Depreciation and Tax during the period is Rs. 8,233 (000) as against Rs. 4,184 (000) in the previous year.

DIVIDEND :

Your Directors recommend payment of Dividend of Rs.10/- (Previous year Rs.10/-) per equity share in accordance with the Companies (Declaration of Dividend out of Reserves) Rules, 1975. The proposed Dividend, if approved, at the Annual General Meeting, will absorb Rs.1,692 (000) including Dividend tax [Previous year Rs.1,500 (000)].

DIRECTORS :

The Board of the company appointed Mr. Nirmal P. Jhunjhunwala, as an Additional Director on 12th August, 2003. The Company has also received a Notice from a member to appoint Mr. Nirmal P. Jhunjhunwala as a Director. It is proposed that he be appointed as a Director of the company.

Bombay Oxygen Corporation Ltd.

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

FIXED DEPOSITS :

15 Deposits amounting to Rs. 72 (000) due for repayment on or before 31st March, 2003 were not claimed by the depositors on that date. As on the date of this report, Rs.19 (000) 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 and of the profit and loss of the Company for that period.

During the period, under review the Company has changed the method of Depreciation from the Written Down Value method to the Straight Line Method in respect of the assets of the Nagpur and Pune units. This has resulted into less provision of Depreciation by Rs. 6,681 (000) for the period and a correspondingly higher profit 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 have 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.

COMPLIANCE CERTIFICATE :

The Compliance Certificate as required by Section 383 A of the Companies Act, 1956 has been obtained from M/s. Bharat V. Pathak & Company - Practicing Company Secretary, for the period under review and same is attached with this Report.

On behalf of the Board

S. M. RUIA
Chairman

Mumbai, 12th August, 2003.

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 PERIOD ENDING 31ST MARCH, 2003.

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. This has resulted in saving of power cost during the period.

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 has commissioned an Imported 130 TPD plant at Kalwe, in the month of June 2003, capable of producing liquid oxygen, liquid nitrogen and liquid argon gases. The other plants in the Company are of indigenous make, producing oxygen and nitrogen in gaseous form.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Rs. in '000

Total Foreign Exchange earned NIL

Total Foreign Exchange used 221,832

Bombay Oxygen Corporation Ltd.

FORM 'A'

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :

A. POWER AND FUEL CONSUMPTION :

		Current period	Previous year
1. Electricity :			
(a) Purchase :			
Unit	'000	16800	13818
Total Amount	Rs. '000	60837	58074
Rate		3.62	4.20
(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

S. M. RUIA
Chairman

Mumbai, 12th August, 2003

Bombay Oxygen Corporation Ltd.**COMPLIANCE CERTIFICATE**

[Under Rule 3 of Companies Compliance Certificate Rules, 2001]

To,
The Members,

BOMBAY OXYGEN CORPORATION LIMITED,

We have examined the registers records books and papers of BOMBAY OXYGEN CORPORATION LIMITED (the Company), as required to be maintained under the Companies Act, 1956 (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period ended on 31st March 2003 (Fifteen Months from 1/01/2002 to 31/03/2003). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents. We certify that in respect of the aforesaid financial period.

1. The Company has kept and maintained the Registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made there under and necessary entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under.
3. The Company being public limited company the comments are not required. The Authorised share capital is Rs. 3,00,00,000/- divided in to 1,50,000 Equity shares of Rs. 100/- each and 1,50,000 Unclassified shares of Rs. 100/- each and paid up share capital is Rs. 1,50,00,000/- divided in to 1,50,000 Equity shares of Rs. 100/- each.
4. The Board of Directors duly met six times on 29/04/2002, 26/06/2002, 30/07/2002, 30/10/2002, 11/11/2002 and 30/01/2003 in respect of which meetings properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, on 20th June 2002 to 26th June 2002 during the financial period and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st December 2001 was held on 26th June 2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the Purpose.
7. No Extra Ordinary General Meeting of the company was held during the period under review.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered in to any contracts fallings within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members and Central Government.
12. The Board of Directors and its duly constituted committee of Directors has approved the issue of duplicate share certificate.
13. The Company has:
 - (i) Delivered all the certificates on allotment of securites and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) The Company has Deposited the amount of dividend declared at 41st Annual General Meeting in a separate Bank Account on 02/07/2002, which is within five days from the date of declaration of such dividend.
 - (iii) The Company paid/posted warrants for dividends to all the members within stipulated time from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid dividend account of the Company with The Bank of Rajasthan Ltd.

Bombay Oxygen Corporation Ltd.

- (iv) Transferred the amounts in unpaid dividend account, matured fixed deposits, and the interest warrants accrued on fixed deposits thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund from time to time during the financial period.
- (v) Complied with the requirements of the Section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of Directors, were duly made at the AGM. No additional Directors, alternate Directors and Directors to fill casual vacancies caused due to death of Mr. Amrit R. Kini, have been made during the period.
15. The appointment of Joint Managing Director Shri R. P. Khator has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act, and approval of the Central Government is not required. Shri R. P. Khator was appointed as Joint Managing Director on 25/09/1998 for a period of five years.
16. The Company has not made appointment of Sole selling Agents.
17. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Directors Registrar or such other authorities as may be prescribed under the various provisions of the Acts during the financial period.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity shares/debentures or other securities during the financial period.
20. The Company has not bought back any shares during the financial period.
21. There was no redemption of preference shares/debentures during the period.
22. There were no transactions necessitating the company to keep in obedience rights to dividend, rights shares pending registration of transfer of shares. However transfer of 75001 shares acquired by the acquirer has been under litigation and as directed by Hon'ble Supreme Court of India amount of dividend due for the such acquired shares are deposited in a separate Bank account instead of posting to the members whose names are on the Register of members, who had already sold their shares to acquirer.
23. The Company has complied with the provisions of Sections 58A read with Companies (Acceptance of deposit) Rules, 1975/the Applicable directions issued by the Reserve Bank of India/any other authority in respect of deposits accepted by the company during the period and the company has filed the copy of advertisement and the required particulars with the Registrar of Companies, Maharashtra. The company had filed the Return of Deposit with the Registrar of Companies/Reserve Bank of India for the financial year ended 31/03/2002.
24. The amount borrowed by the company from Directors, members, Public Financial Institutions, Banks and from others during the Financial period ending 31st March 2003 are within the borrowing limits of the company and as per the Special resolutions as per Section 293 (1) (d) of the Act passed in duly convened Annual/Extraordinary General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered office from one state to another during the period under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the period under scrutiny.
30. The Company has not altered its Articles of Association.