

Bombay Oxygen Corporation Ltd.



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Annual Report & Accounts - 2003-2004

DIRECTORS :

MR. SHYAM M. RUIA, **Chairman**

MR. IBRAHIM A. RAHIMTOOLA

MR. MOHAN BIR SINGH

MR. AJIT M. GHELANI

MR. NIRMAL P. JHUNJHUNWALA

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.

NOTICE

NOTICE is hereby given that the FORTY-THIRD 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 Tuesday, the 21st September, 2004 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 March, 2004 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. Mohan Bir Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajit M. Ghelani, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

Registered Office :

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

On Behalf of the Board,

NIRMAL P. JHUNJHUNWALA

Director

Mumbai, 3rd August, 2004.

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 25th September, 2004 to those members whose names stand on the Register of Members of the Company on 21st September, 2004.
3. The Share Transfer Books of the Company will remain closed from Friday, the 17th September, 2004 to Tuesday, 21st September, 2004 (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.
5. 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 and unpaid dividend warrants of 29th and 30th dividend warrants have been transferred to the Investor Education and Protection Fund.
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 and 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 31st to 37th 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/repayment of deposits on maturity.

DIRECTORS' REPORT

Your Directors have pleasure in submitting this FORTY-THIRD ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS :

	For the year ended 31st March, 2004 (12 months) (Rs. in '000)	For the period ended 31st March, 2003 (15 months) (Rs. in '000)
Profit before depreciation and tax	76331	8233
Provision for depreciation	16221	2259
Provision for taxation	4925	1500
Provision for Deferred taxation	20792	1192
Net Profit	<u>34393</u>	<u>3282</u>
Transfer from General Reserves	NIL	1692
Balance available for appropriation	<u><u>34393</u></u>	<u><u>4974</u></u>

Appropriations :

Proposed Dividend	2700	1500
Tax on Dividend	353	192
Balance transferred to General Reserve	<u>31340</u>	<u>3282</u>
	<u><u>34393</u></u>	<u><u>4974</u></u>

PERFORMANCE :

The Tonnage plant at Kalwe Unit which was successfully commissioned during the month of June, 2003 has been working satisfactorily. Whereas its production of Liquid Oxygen, Nitrogen and Argon has been well received in the market, its gaseous oxygen and nitrogen is supplied to Mukand Ltd. under a long-term agreement. The production of all the other units of the Company was also satisfactory during the year. All this has resulted in higher sales and better profitability.

Sales for the year under review was Rs. 26,62,07,639/- as against Rs. 12,87,74,331/- for the previous period of fifteen months. Profit before depreciation and tax during the year was Rs. 7,63,30,261/- as against Rs. 82,34,458/- which is significantly higher than the previous period of fifteen month.

DIVIDEND :

Your Directors recommend payment of Dividend of Rs. 18/- (Previous period Rs. 10/-) per equity share. The proposed Dividend, if approved, at the Annual General Meeting, will absorb Rs. 30,52,890/- including Dividend tax [Previous period Rs. 16,92,150/-].

DIRECTORS :

Your Directors Mr. Mohan Bir Singh & Mr. Ajit M. Ghelani, retire this year by rotation in accordance with the Articles of Association of the Company and, being eligible, offer themselves for re-appointment.

FIXED DEPOSITS :

15 Deposits amounting to Rs. 1,31,000/- due for repayment on or before 31st March, 2004 were not claimed by the depositors on that date. As on the date of this report, Rs.71,000/- 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 year.

During the year, 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 installed after 31st March, 1993 excluding transport tanks at Mulund unit. This has resulted in less provision of Depreciation by Rs. 65,85,698/- for the year and corresponding 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 year under review and same is attached with this Report.

On behalf of the Board

S. M. RUIA
Chairman

Mumbai, 3rd August, 2004.

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 MARCH, 2004.

A. CONSERVATION OF ENERGY :

- (a) The Company has taken measures for conservation of energy by regular maintenance of all plants.
- (b) The Company made adequate arrangements for installation of vacuum lines, liquid pumping system, capacitors, UPS and other energy efficient equipment.
- (c) The measures like monitoring of power consumption, power factor, Time of the day metering and regular maintenance of all systems resulted in saving of power cost.
- (d) Energy conservation in respect of Specified Industries : Not Applicable

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 commenced production from its Imported 130 TPD plant installed at Kalwe, in the month of June 2003, for producing gaseous and liquid oxygen and 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 10,836

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 year ended on 31st March 2004. 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 year.

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 thereunder.
3. The Company being public limited company our 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 30/04/2003, 12/08/2003, 28/08/2003, 01/10/2003, 30/10/2003 and 30/01/2004 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, from 25th September 2003 to 1st October 2003 during the financial year and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial period ended on 31st March 2003 was held on 1st October 2003 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 year 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 falling 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 had approved the issue of duplicate share certificate.
13. The Company has:
 - (i) Delivered all the certificates 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 42nd Annual General Meeting in a separate Bank Account on 03/10/2003, 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.
 - (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 year.
 - (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 have been made during the year.

15. The Company has not appointed Managing Director/Whole-time Director during the year under review after the retirement of Joint Managing Director. Therefore compliance with the provisions of Section 269 read with Schedule XIII to the Act, and approval of the Central Government is not required.
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 year.
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 thereunder.
19. The Company has not issued any Equity Shares/Debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the year.
22. There were no transactions necessitating the Company to keep in abeyance 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 Section 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 year 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 Deposits with the Registrar of Companies/Reserve bank of India for the financial year ended 31/03/2003.
24. The Company borrowed from members, Public Financial Institutions, Banks and from others during the Financial year ending 31st March 2004. The said borrowings are within the borrowing limits of the company as per the Special resolutions passed under Section 293 (1) (d) of the Act in duly convened General Meeting of the members of the Company. During the year, under review, the Company had obtained Secured loan from Canara Bank.
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 year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association.
31. As informed to us there was no prosecution initiated against or no show cause notices received by the Company for any offences under the Act and no fines and penalties or any other punishment imposed on the Company in such cases.
32. The Company has not received any money as Security deposit from its employees during the financial year under certification.
33. The Company has deposited both employees' and employer's contributions to provident fund with prescribed authorities pursuant to Section 418 of the Act, during the financial year.

For BHARAT V. PATHAK & CO.,
 Company Secretary

BHARAT V. PATHAK
 Proprietor
 C. P.-829/F.C.S.-1234

Mumbai, 3rd August, 2004

ANNEXURE - A

Annexure to the Compliance Certificate of BOMBAY OXYGEN CORPORATION LIMITED.
 Registers/Records maintained by the Company.

Sr. No.	Particulars	Section of the Act.
1.	Register of Members	150
2.	Register of Debenture holder	152
3.	Registers of Directors	303
4.	Registers of Director's shareholding	307
5.	Register of Contracts	301
6.	Register of share transfer	
7.	Filing records of ROC documents	
8.	Books of accounts	209
9.	Minute books of Board of Director Meeting, AGM/EOGM	
10.	Register of Nomination of shareholders	
11.	Register of Investments	372/372A
12.	Register of charges	

ANNEXURE - B

Annexure to the Compliance Certificate of BOMBAY OXYGEN CORPORATION LIMITED.

Forms and Returns filed by the Company with the Registrar of Companies, Regional Director, Central Government, or other authorities during the financial year ended 31/03/2004.

No.	Form no. Returns	Section under Act	Particulars of documents	Receipt no. & Date of filing
1.	Annual Return	159(1)	as on 01/10/2003	281391-03/11/2003
2.	Balance Sheet Director & Auditors reports	220(1)	as on 31/03/2003	276326-22/10/2003
3.	Compliance Certificate	383A	as on 01/10/2003	276326-22/10/2003
4.	No. 32 Resignation of Mr. Arun Aggarwal, Company Secretary	303(2)	01/08/2003	264473-19/08/2003
5.	No. 8 & 13 Charges of moveable assets and Equitable Mortgage of land at Mulund created in favour of Canara Bank.	125	29/08/2003	269964-25/09/2003
6.	Statement of Advertisement	58A	19/08/2003	264472-19/08/2003
7.	Return of deposits	58A	31/03/2003	258164-30/06/2003
8.	Form No. 32/29 Appointment of Mr. Nirmal P. Jhunjhunwala as Director.	303(2)	12/08/2003	264331-19/08/2003
9.	Form No. 32 Retirement of Mr. R. P. Khator as Joint Managing Director	303(2)	24/09/2003	275442-20/10/2003

For BHARAT V. PATHAK & CO.,
 Company Secretary

BHARAT V. PATHAK

Proprietor

C.P.-829/F.C.S.-1234

Mumbai, 3rd August, 2004