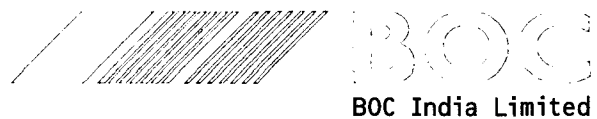


Annual Report 2006-07

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## BOC India Limited

### Notice

Notice is hereby given that the Seventy First Annual General Meeting of the Members of BOC India Limited will be held at the Science City Main Auditorium, JBS Haldane Avenue, Kolkata 700 046 on Tuesday, 31 July 2007 at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31 March 2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr Sanjiv Lamba, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Robert Neil Greenfield, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification(s), the following resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that Messrs BSR & Company, Chartered Accountants, (in respect of whom notice in writing from a Member of the Company signifying his intention to appoint them as Auditors of the Company has been received pursuant to Section 225(1) of the Companies Act, 1956) be and are hereby appointed Auditors of the Company in place of the retiring auditors, Messrs Price Waterhouse, Chartered Accountants (who have expressed their unwillingness to be re-appointed as Auditors of the Company), until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

#### As Special Business:

To consider and, if thought fit, to pass with or without modification(s) the following resolutions :

6. As an Ordinary Resolution :

"RESOLVED that Mr Trevor John Burt, who vacates

office as Director under Article 92 of the Company's Articles of Association, and being eligible for appointment, be and is hereby appointed as a Director of the Company."

7. As an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 269, 309 and 198(4) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the re-appointment and terms of remuneration of Mr Srikumar Menon as Finance Director of the Company for a period of three years with effect from 01 August 2007 to 31 July 2010 as set out in the draft Agreement submitted to this Meeting and for the purpose of identification signed by a Director thereof, which Agreement is specifically sanctioned with liberty to the Board of Directors (the Board) to alter and vary the terms and conditions of the said remuneration and/ or Agreement in such manner as may be agreed to between the Board and Mr Srikumar Menon."

8. As an Ordinary Resolution :

"RESOLVED that in supersession of resolution no. 7 passed at the 61<sup>st</sup> Annual General Meeting of the Company held on 31 January 1997, the consent of the Company be and is hereby granted in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money, which together with the monies already borrowed by the Company, apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and outstanding at any one time shall not at any time exceed the limit of Rs.750 crores (Rupees seven hundred and fifty crores)."

9. As an Ordinary Resolution :

"RESOLVED that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "the Board",

which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties comprising the whole, or substantially the whole, of any undertaking(s) of the Company, both present and future, and in such manner as the Board may deem fit, in favour of Banks/ Financial Institutions, other lending agencies and trustees for the holders of debentures/bonds/ other instruments to secure rupee/ foreign currency loans and / or issue of debentures, whether partly/ fully convertible or non-convertible and / or securities linked to ordinary shares and / or rupee/ foreign currency convertible bonds with share warrants attached (hereinafter collectively referred to as "Loans" ) and all interest, costs, charges and expenses and other monies payable in respect thereof, provided that the total amount of Loans

together with interest thereon shall not at any time exceed the limit of Rs.750 crores (Rupees seven hundred and fifty crores).

RESOLVED further that the Board be and is hereby authorised to finalise with the Banks, Financial Institutions, other lending agencies, trustees, etc. as the case may be, the terms and the documents for creation of mortgages and / or charges and to do all such acts, deeds and things to execute all such documents, instruments and writings as may be required to give effect to the above resolution."

By Order of the Board

**Registered Office:**

Oxygen House  
P 43 Taratala Road  
Kolkata 700 088.  
18 May 2007

  
PAWAN MARDA  
Company Secretary

**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 proxy need not be a member of the Company.**

Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 17 July 2007 to Tuesday, 31 July 2007 (both days inclusive).
3. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting will be paid to those Members whose names appear on the Register of Members after giving effect to all valid transfer deeds in physical form lodged with the Company on or before 16 July 2007 and in respect of shares held in dematerialised form to the beneficial owners whose names appear in the statements to be furnished by the Depositories for this purpose as at the end of the business hours on 16 July 2007. The dividend declared at the Annual General Meeting shall be paid on or after 7 August 2007.
4. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Members, who have not encashed their dividend warrants for any one or more of the financial years ended on 31 March 2004, 31 March 2005 and 31 March 2006, are requested to immediately contact the Company or its Registrar & Transfer Agents for the same.

Members are advised that once the unpaid/ unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

5. Members holding shares in physical form are requested to notify immediately any change in their address including Pin code, Bank Mandate, etc. to the Company's Registrar & Transfer Agents, Messrs Intime Spectrum Registry Ltd., 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020. Members holding shares in electronic form are requested to furnish this information to their respective depository participants for updation of the changes.
6. Members holding shares in multiple folios in identical names or joint accounts in the same order of names, are requested to consolidate their shareholdings into one folio.
7. Members holding shares in the physical form and desirous of making/ changing Nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested

to submit the prescribed Form 2B for this purpose to the Company's Registrar & Transfer Agents, Messrs Intime Spectrum Registry Ltd., which is enclosed.

8. Members are requested to contact Messrs Intime Spectrum Registry Ltd., 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020 (Phone No. 91-33-2289 0540; Telefax No. 91-33-2289 0539) for reply to their queries / redressal of complaints, if any, or contact the Company Secretary and Compliance Officer at the Registered Office of the Company (Phone Nos: 91-33-2401 4708; 2401 5172; Fax : 91-33-2401 4974 ; Email: pawan.marda@boci.co.in) for prompt reply to their queries and for redressal of any complaint, which they may have.
9. Members are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting.
10. **Appointment / Re-appointment of Directors :**

Mr Sanjiv Lamba and Mr Robert Neil Greenfield, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Mr Trevor John Burt was appointed Additional Director of the Company by the Board of Directors and it is proposed to appoint him as Director at the Annual General Meeting.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be appointed / re-appointed:

**Mr Sanjiv Lamba**, 42 years old, is a B.Com.(Hons.) and a Chartered Accountant. Mr Lamba joined the Company in the year 1989 and gathered rich experience of the Company's business both in India and overseas and was the Managing Director of the Company up to 31 March 2005. Mr Lamba is presently Regional Business Unit Head, South & East Asia of The Linde Group and is based in Singapore. Mr Lamba is on the Board of following companies within the Group:

Company	Position	Committee Membership held
BOC Gases Pte Ltd.	Director	—
BOC Bangladesh Ltd.	Director	Audit Committee
Consolidated Industrial Gases Inc.	Director	—
Thai Industrial Gases Public Co. Ltd.	Director	—
Vietnam Industrial Gases Co. Ltd.	Director	—
BOC Pakistan Ltd.	Director	Audit Committee, Remuneration & Appointments Committee
Linde Gas Vietnam Ltd.	Chairman	—

Mr Lamba holds 400 shares in BOC India Ltd. as on 31 March 2007.

**Robert Neil Greenfield**, 47 years old, is a B.Sc. (Mechanical Engineering) and is the Head of the Bulk Business Area (Global) for The Linde Group and is based in Munich, Germany. Mr Greenfield has over 22 years of experience in the Gases business in the BOC Group, during which he held various senior positions in the Group Companies in South Africa, U.K., USA and Singapore. Mr Greenfield is on the Board of BOC Japan Ltd. Mr Greenfield does not hold any shares in BOC India Ltd. as on 31 March 2007.

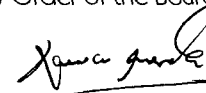
**Mr Trevor John Burt**, 49 years old, graduated from the University of Canterbury, Christchurch, New Zealand with a Bachelors degree in Chemistry. Mr Burt is presently a Member of the Executive Board of Linde AG and is based in Munich, Germany. Mr Burt has rich experience of BOC's gases business covering strategy, sales and marketing, operations and distribution functions and has held various senior positions in the Group companies in South Pacific, Asia and North America.

Mr Burt does not hold any shares in BOC India Ltd. as on 31 March 2007.

**Registered Office :**

Oxygen House  
P 43 Taratala Road  
Kolkata 700 088.  
18 May 2007

By Order of the Board



PAWAN MARDA  
Company Secretary

## Annexure to the Notice convening the 71<sup>st</sup> Annual General Meeting to be held on Tuesday, 31 July 2007

As the business specified in Item Nos. 6 to 9 of the Notice of even date, to which this statement is annexed, are items of special business to be transacted at the 71<sup>st</sup> Annual General Meeting of the Company, the following facts are set out in compliance with the provisions of Section 173 of the Companies Act, 1956:

### Item No. 6

Mr Trevor John Burt was appointed as an Additional Director of the Company pursuant to Article 92 of the Articles of Association by the Board of Directors at its meeting held on 18 January 2007. In accordance with Section 260 of the Companies Act, 1956, Mr Burt will hold office of Director only up to the date of the ensuing Annual General Meeting of the Company. In terms of Section 257 of the Companies Act, 1956, the Company has received notice from a shareholder along with requisite deposits signifying his intention to propose Mr Burt as a Director of the Company.

The Board of Directors considers that it would be in the interest of the Company to continue to avail of the services of Mr Burt as a Director of the Company and therefore recommends the resolution for your approval.

None of the Directors other than Mr Burt, is in anyway, concerned or interested in this resolution.

### Item No.7

The Shareholders had in the 69<sup>th</sup> Annual General Meeting held on 25 July 2005 approved of the appointment of Mr Srikumar Menon as Finance Director of the Company for a period of three years with effect from 1 August 2004 on the terms and conditions and remuneration payable to him as set out in the Agreement dated 3 November 2004 (Principal Agreement) entered into between him and the Company. By a Supplemental Agreement dated 29 August 2006, which was approved by the shareholders in the 70<sup>th</sup> Annual General Meeting of the Company held on 26 July 2006, certain terms of the Principal Agreement were revised with effect from 01 January 2006 for the remaining term of the Principal Agreement.

The Remuneration Committee of the Board and the Board of Directors have at their Meetings held on 18 May 2007, subject to the approval of the shareholders, have resolved to re-appoint Mr Srikumar Menon as Finance Director of the Company for a new

term of three years with effect from 01 August 2007 on expiry of his existing three year term on 31 July 2007. The material terms and conditions of his re-appointment including remuneration as set out in the draft Agreement submitted to this meeting are as follows:

1. Period of Appointment/ Agreement : From 1 August 2007 to 31 July 2010.
2. Basic Salary: Rs.155,000 per month, in the scale of Rs.155,000 – Rs. 235,000 per month, with authority to the Remuneration Committee and the Board to give annual increments, which will be merit based and take into account the Company's performance.
3. Variable Compensation Pay: Mr Menon shall be entitled to receive during the term of his employment a Variable Compensation Pay as may be decided by the Remuneration Committee and Board from time to time.
4. Allowances and Perquisites: In addition to the Basic Salary and Variable Compensation Pay, Mr Menon shall be entitled to the following perquisites and allowances which shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost :
  - i) Special Cash Allowance of Rs. 1,28,600 per month or such amount as may be decided by the Remuneration Committee and the Board from time to time, which will be claimed by Mr Menon towards allowances/ reimbursement of expenses such as but not limited to gas, electricity, water, furnishings, etc.
  - ii) Rent free unfurnished accommodation whether owned/ leased/ rented by the Company as per rules of the Company.
  - iii) Reimbursement of medical expenses incurred by Mr Menon for self and his family including dependent parent(s) up to a ceiling of Rs.36,000 per annum or Rs.1,08,000 in block of three years.
  - iv) The Company shall pay premium for maintenance of a policy(ies) for Mr Menon and his family for medical benefits. The Company shall also bear premium of Mr Menon's Personal Accident Insurance subject to a maximum

of Rs.1,000 per annum. The Company has also nominated Mr Menon as a keyman under the Keyman Insurance Scheme for Company's executives and will pay premium for maintenance of such policy.

- v) Leave Travel Concession of Rs.100,000 per annum for self and family.
  - vi) Provision of two cars with driver as per rules of the Company. One such car shall be used by Mr Menon exclusively for official purposes/ on Company's business and the other car shall be used for both official and personal purposes.
  - vii) Free telephone facility at the residence and a cellular phone for official use. Cost of personal long distance calls shall be borne by Mr Menon.
  - viii) Fees/ subscriptions of two clubs other than admission/ life membership fees.
5. Minimum Remuneration: Where in any financial year during the currency of the tenure of Mr Menon, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, variable compensation pay, perquisites and allowances, etc. to Mr Menon as Minimum Remuneration.
  6. Company's contribution to Provident, Superannuation and Gratuity Funds as per the rules of the respective Funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  7. Gratuity at a rate not exceeding one half month's salary for each completed year of service, subject to the ceiling as prescribed under the Income Tax Act.
  8. Leave according to the rules applicable to the Wholetime Directors of the Company but not more than one month's leave for every eleven months of service.
  9. Mr Menon shall be entitled to white goods as per the Company's buy back scheme.
  10. The Agreement also sets out mutual rights and obligations of the Company and Mr Menon and details his powers and duties.

This resolution is being placed before the Members for approval of the re-appointment of Mr Menon as Finance Director on the aforesaid terms w.e.f. 1 August 2007.

The Board of Directors recommends the passing of the resolution.

None of the Directors other than Mr Srikumar Menon, is in anyway, concerned or interested in this resolution.

This may also be treated as an Abstract of the draft Agreement between the Company and Mr Srikumar Menon, pursuant to Section 302 of the Companies Act, 1956.

#### Item No. 8

Section 293(1)(d) of the Companies Act, 1956 provides, inter alia, that the Board of Directors (the Board) of a public company shall not except with the consent of the Company in general meeting borrow monies where the monies to be so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose. At the 61<sup>st</sup> Annual General Meeting of the Company held on 31 January 1997, the Company by a resolution passed under Section 293(1)(d) of the Companies Act, 1956 authorised the Board to borrow monies upto a limit of Rs. 300 crores.

The Company is embarking on a significant capital investment programme and is presently setting up an 1800 tpd Air Separation Unit (ASU) at Bellary, Karnataka for supply of Oxygen, Nitrogen and Argon gases to JSW Steel Ltd. Additionally, the Company proposes to bid for several other large and mid sized projects for the supply of gases on Build-Own-Operate (BOO) basis. For implementation of these projects, the Company would require additional funds, part of which are proposed to be met by borrowings from external sources. The Board is of the view that a borrowing limit of Rs. 750 crores would be adequate for the projects presently under consideration. As this sum is in excess of the limit previously approved by the Members, consent of Members under Section 293(1)(d) of the Companies Act, 1956 is being sought to enable the Board to borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto an increased limit of Rs. 750 crores.

The Board recommends the resolution for your approval.

No Director of the Company is concerned or interested in the resolution.

#### Item No. 9

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors (the Board) of a

public company shall not except with the consent of the Company in general meeting sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The Company is presently embarking on a significant capital investment programme including an 1800 tpd Air Separation Unit at Bellary and proposes to bid for several other large and mid sized projects for the supply of gases on Build-Own-Operate (BOO) basis, which are proposed to be part financed by borrowings from external sources. The proposed borrowings of the Company, may if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the concerned Banks/ Financial Institutions, other lending agencies and trustees for the holders of debentures/bonds/other instruments. Since the mortgaging, charging or hypothecation by the Company of its assets in favour of the concerned Banks/ Financial Institutions and other lending agencies and trustees for the holders of debentures/bonds/other instruments may be deemed to be disposal of the whole or substantially the whole of the Company's undertaking(s), it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/

mortgages / hypothecations for an amount not exceeding the borrowing limit of Rs.750 crores.

The Board recommends the resolution for your approval.

No Director of the Company is concerned or interested in the resolution.

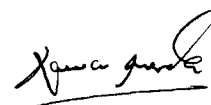
#### **Inspection of Document:**

The draft Agreement between the Company and Mr Srikumar Menon in connection with his re-appointment for a new term of three years w.e.f. 01 August 2007 is available for inspection to the Members of the Company at its Registered Office during 10.30 a.m. to 12.30 p.m. on any working day, except Saturdays up to the date of the Annual General Meeting and will also be available at the said Meeting.

By Order of the Board

#### **Registered Office :**

Oxygen House  
P 43 Taratala Road  
Kolkata 700 088.  
18 May 2007



PAWAN MARDA  
Company Secretary

Report Junction.com



## A tribute to J N Sapru

Mr J N Sapru, Chairman of BOC India, passed away on 8 May 2007 after a brief illness. He was 73.

A visionary, a futurist and an achiever, Mr Sapru's tenure as Non - Executive Chairman of BOC India coincided with some of the most sweeping changes seen in Indian industry. A Master in Economics from Allahabad University, Mr Sapru was widely reputed in management circles for his business acumen, simplicity and leadership qualities. As Non-Executive Chairman, he guided BOC India for a period of 14 years including some difficult times.

While the void created by Mr Sapru's demise will be difficult to fill, his principles and ideals will continue to guide the Company and inspire the BOC family towards achieving and surpassing the high standards of performance and governance that he had set.

The BOC family pays sincere tribute to its Chairman for his wise counsel and guidance as well as for his warmth and reassuring presence during his tenure.

# Leading cha

“ It is not the strongest species that survives, nor the most intelligent, but the most responsive to change. ”

*Charles Darwin*

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