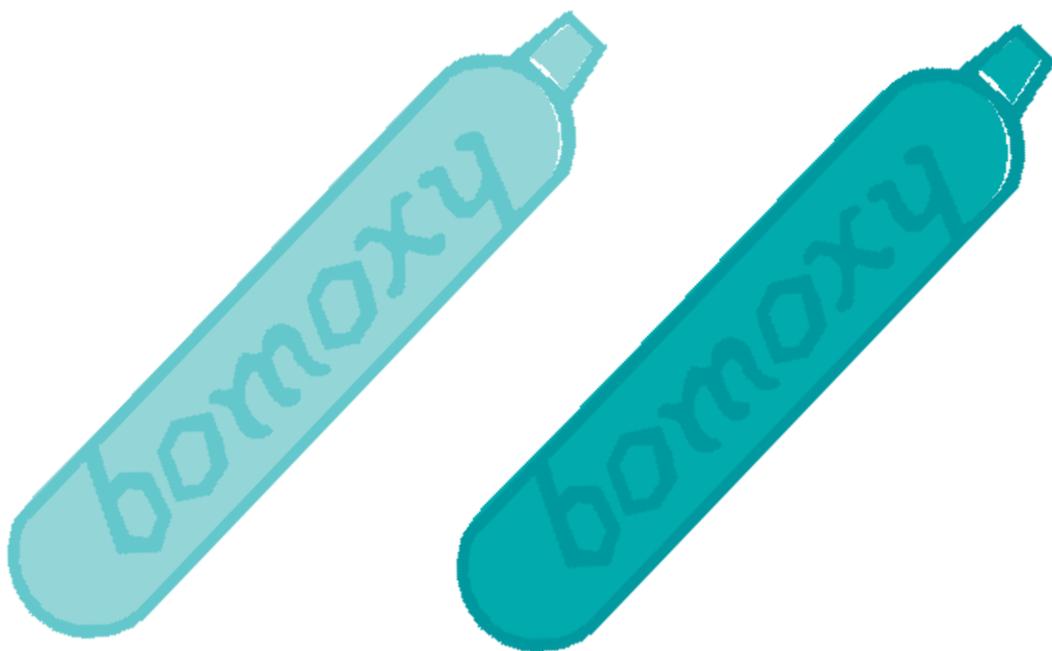


Bombay Oxygen Corporation Ltd.



Annual Report & Accounts - 2011-2012

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. AMAY S. RUIA

AUDITORS :

K. G. SHAH & CO.

SOLICITORS :

KANGA & CO.

BANKERS :

CANARA BANK

AXIS BANK LTD.

BANK OF MAHARASHTRA

BANK OF INDIA

ALLAHABAD BANK

HDFC BANK LTD.

REGISTERED OFFICE :

22/B, Mittal Tower,
210, Nariman Point,
Mumbai – 400 021.

FACTORIES :

KALWE (THANE), PUNE, TARAPUR & NAGPUR

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliance by the companies, and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. Members are requested to fill the appropriate columns in the members feedback form (refer page no. 41 of Annual Report) and send it to the Company's Registered Office.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. 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 51st 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 29th August, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Statement of Profit & Loss of the Company for the year ended 31st March, 2012, and the Balance Sheet as on that date together with the Report 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 :
22/B, Mittal Tower, 210, Nariman Point,
Mumbai - 400 021.

By Order of the Board of Directors,

NIRMAL P. JHUNJHUNWALA
Director

Mumbai, 19th July, 2012.

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 HDFC Bank Limited, Fort, Mumbai - 400 023 and at any of its specified branches in India on or after 1st September, 2012 to those members whose names stand on the Register of Members of the Company as on 29th August, 2012.
3. The Share Transfer Books of the Company will remain closed from Thursday, the 23rd August, 2012 to Wednesday, 29th August, 2012 (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. Pursuant to provisions of Section 205A(5) and 205C of the Companies Act 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years up to 2003-04 to the General Revenue Account/Investors Education and Protection Funds of the Central Government. Those shareholders who have not still encashed their 39th to 45th Dividend warrants and fixed depositors who have not encashed their interest warrants and/or fixed deposits are requested to send them to the Company for revalidation/repayment.

Registered Office :
22/B, Mittal Tower, 210, Nariman Point,
Mumbai - 400 021.

By Order of the Board of Directors,

NIRMAL P. JHUNJHUNWALA
Director

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

DIRECTORS' REPORT

Your Directors have pleasure in submitting this 51st ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

	For the year ended 31st March, 2012 (₹ in '000)	For the year ended 31st March, 2011 (₹ in '000)
Profit before depreciation and tax	42,694	88,354
Provision for depreciation	35,299	35,999
Profit before tax	7,395	52,355
Current tax	—	12,600
Deferred tax	(3,751)	(1,698)
Profit for the year	11,146	41,453
Appropriations :		
Proposed Dividend	3,000	3,000
Tax on Dividend	486	486
Transferred to General Reserve	7,660	37,967
	11,146	41,453

PERFORMANCE :

The 130 TPD tonnage plant at Kalwe has worked satisfactorily during the year. However the 40TPD Oxygen liquifier was under utilized due to less demand of liquid oxygen in the Market. This has hit both prices and quantities and resulted in lower sales and decreased profitability of the Company as compared to the last year.

During the year under review, sales were ₹ 36,66,28,074/- as against ₹ 41,73,70,079/- for the previous year. Profit before Depreciation and Tax during the year is ₹ 4,26,93,237/- as against ₹ 8,83,54,521/- in the previous year.

The Subsidiaries Bombay Oxygen Acetylene Ltd. and Bombay Oxygen Gases Ltd. have been closed and their names are struck off from the Registrar of Companies.

DIVIDEND :

Your Directors recommend the payment of dividend of ₹ 20/- (Previous year ₹ 20/-) per equity share. The proposed dividend, if approved, at the Annual General Meeting, will absorb ₹ 34,86,675/- including Tax on dividend [Previous year ₹ 34,86,675/-].

DIRECTORS :

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

FIXED DEPOSITS :

48 Deposits amounting to ₹ 5,67,000/- due for repayment on or before 31st March, 2012 were not claimed by the depositors.

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.

Bombay Oxygen Corporation Ltd.

GENERAL :

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

CORPORATE GOVERNANCE :

Report on Corporate Governance along with the certificate of the Auditors M/s. K. G. Shah & Co., confirming the compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange is annexed.

MANAGEMENT DISCUSSION AND ANALYSIS :

(i) Industry Structure and developments :

The gas industry is a highly capital intensive. Large-scale capacity additions in the gas industry are expected during the year. As there already is over production, this will put further pressure on margins and on capacity utilization.

(ii) Opportunities, Threats, Risks and Concerns :

Due to the present recessionary conditions growth in the gas industry is already adversely affected. Industries which are bulk consumers of industrial gases such as Steel, Chemical, Pharmaceutical, Glass etc. are not showing much improvement in their demand of gases. On top of this the continuous rise in the cost of power is a major concern for profitability. Power is the main input in the cost of production of gases and unless uninterrupted power at reasonable tariffs is made available to the industry, margins are sure to be under heavy pressure.

(iii) Segment wise product wise performance :

The Company is primarily engaged in the manufacturing and sale of industrial gases, viz, Oxygen, Nitrogen, Argon.

Dissolved Acetylene is outsourced by the Company for supply to end users.

(iv) Outlook :

With the national economy in an unpredictable position, it is difficult to forecast the requirement of gases. The company is continuing its efforts to explore new markets such as ship breaking, pharmaceuticals, glass, food processing and the chemical industry. The Company is also augmenting its presence in the health care segment, through the supply of liquid and gaseous medical oxygen.

(v) Internal Control Systems and their adequacy :

The Senior Management periodically reviews factors and issues that influence the Company's business and takes appropriate decisions to ensure that the Company's interest and that of the stakeholders is protected. The Company has an inbuilt system of internal checks and controls.

The Audit Committee of the Board of Directors takes the responsibility to review the Internal Controls and matters connected there with.

(vi) Financial and Operational performance :

Particulars	For the year ended 31st March, 2012 (₹ in '000)	For the year ended 31st March, 2011 (₹ in '000)
Sales	3,66,628	4,17,370
Other Income	30,263	22,480
Profit before depreciation	42,694	88,354
Depreciation	35,299	35,999
Taxes	(3,751)	10,902
Profit after depreciation and taxes	11,146	41,453

Bombay Oxygen Corporation Ltd.

- (vii) Material developments in Human Resources/Industry relations front, including number of people employed :
The Company continues to give utmost importance to Human Resources Development and keeps relations healthy.
- (viii) Cautionary Statement :
Company's projections and estimates will vary from actual results, which depend on a variety of factors over which the Company does not have any control.

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 of the Company for that year;
- (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, having Registration No. 109630W, Statutory Auditors of the Company, retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

COMPLIANCE CERTIFICATE :

The Compliance Certificate under section 383A of the Companies Act, 1956 has been obtained from M/s. Sanjay Dholakia & Associates – 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, 19th July, 2012.

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 ENDED 31ST MARCH, 2012.

A. CONSERVATION OF ENERGY :

- (a) The Company has taken measures for conservation of energy by regular maintenance of all plants.
- (b) The Company has made adequate arrangements for installation of vacuum lines, liquid pumping system, capacitors, UPS and other energy efficient equipments.
- (c) The measures like monitoring of power consumption, power factor and regular maintenance of all systems have kept power cost in control.
- (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 130 TPD Tonnage plant and 40 TPD Oxygen Liquefier at Kalwe, both imported, continued to work satisfactorily during the year, producing gaseous and liquid oxygen, nitrogen and argon. The other plants in the Company are indigenous, producing oxygen and nitrogen in gaseous form.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	₹ in '000
Total Foreign Exchange earned	NIL
Total Foreign Exchange used	287

Bombay Oxygen Corporation Ltd.

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance :

The Company strongly believes in and endeavours to practice good Corporate Governance. It tries to promote the highest possible ethical standards and integrity. It pledges to be a good corporate caring for health, safety and environment.

The Company is committed to conduct its business in accordance with all applicable Laws, Rules and Regulations envisaging the attainment of the highest levels of transparency, accountability and professionalism in all facets of its operations and interactions with its stakeholders.

2. Board of Directors :

- Composition and size of the Board:

The present strength of the Board is Six. The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets with the requirements of Clause 49(I)(A) of the Listing Agreement.

- Board meetings, attendance and other Directorships:

During the year ended 31st March, 2012, Eight Board meetings were held on 11.05.2011, 02.08.2011, 16.08.2011, 15.09.2011, 08.11.2011, 14.11.2011, 06.02.2012 and 28.03.2012. The maximum time gap between any two consecutive meetings was within the stipulated period of four months. The attendance of each Director at Board meetings and the last Annual General Meeting (AGM) and directorships in other Indian Public Limited Companies and Committee memberships therein are as under :

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships in other Public Limited Companies in India	No. of Committee positions held in other Companies	
					Chairman	Member
Mr. Shyam M. Ruia	Non-Executive Chairman, Promoter	8	Yes	3	Nil	Nil
Mr. Ibrahim A. Rahimtoola	Non-Executive, Independent	8	Yes	Nil	Nil	Nil
Mr. Mohan Bir Singh	Non-Executive, Independent	8	Yes	Nil	Nil	Nil
Mr. Ajit M. Ghelani	Non-Executive, Independent	7	Yes	Nil	Nil	Nil
Mr. Nirmal P. Jhunjhunwala	Non-Executive, Independent	5	No	Nil	Nil	Nil
Mr. Amay S. Ruia	Non-Executive Non-Independent	6	No	2	Nil	Nil

3. Audit Committee :

- Constitution, Composition and Terms of Reference :

The Audit Committee comprises as under :

- | | | | |
|---|----------------------------|----------------------------------|----------|
| 1 | Mr. Nirmal P. Jhunjhunwala | – Non-Executive, Independent | Chairman |
| 2 | Mr. Ibrahim A. Rahimtoola | – Non-Executive, Independent | Member |
| 3 | Mr. Ajit M. Ghelani | – Non-Executive, Independent | Member |
| 4 | Mr. Amay S. Ruia | – Non-Executive, Non-Independent | Member |

Terms of Reference of the Audit Committee are as outlined in the paragraphs C, D and E of Clause 49(II) of the Listing Agreement.

Bombay Oxygen Corporation Ltd.

- Meetings and Attendance :

During the year ended 31st March, 2012, Five Audit Committee Meetings were held on 03.05.2011, 02.08.2011, 16.08.2011, 08.11.2011 and 06.02.2012. The attendance of each Member at Audit Committee Meetings are as under :

	03.05.2011	02.08.2011	16.08.2011	08.11.2011	06.02.2012
Mr. Nirmal P. Jhunjhunwala	Present	Present	Present	Present	Present
Mr. Ibrahim A. Rahimtoola	Present	Present	Present	Present	Present
Mr. Ajit M. Ghelani	Absent	Present	Present	Present	Present
Mr. Amay S. Ruia	Present	Present	Present	Present	Present

4. Remuneration Committee :

The Company has not constituted a Remuneration Committee since none of the Directors have been paid any remuneration. The sitting fees paid to the directors has been decided by the Board of Directors.

5. Shareholders'/Investors' Grievance Committee :

- Constitution, Composition and Terms of Reference :

The Shareholders'/Investors' Grievance Committee comprises as under :

- Mr. Mohan Bir Singh – Non-Executive Independent Chairman
- Mr. Nirmal P. Jhunjhunwala – Non-Executive Independent Member
- Mr. Ibrahim A. Rahimtoola – Non-Executive Independent Member
- Mr. Amay S. Ruia – Non-Executive Non-Independent Member

The Committee looks into redressing the Investors' grievances/complaints, viz, non-receipt of transferred shares, non-receipt of dividends etc.

- Meetings and Attendance :

During the year ended 31st March, 2012, Five Shareholders'/Investors' Grievance Committee meetings were held on 11.05.2011, 02.08.2011, 16.08.2011, 08.11.2011 and 06.02.2012. The attendance of each Member at Shareholders'/Investors' Grievance Committee are as under :

	11.05.2011	02.08.2011	16.08.2011	08.11.2011	06.02.2012
Mr. Mohan Bir Singh	Present	Present	Present	Present	Present
Mr. Ibrahim A. Rahimtoola	Present	Present	Present	Present	Present
Mr. Nirmal P. Jhunjhunwala	Absent	Present	Present	Present	Present
Mr. Amay S. Ruia	Present	Present	Present	Present	Present

- Compliance Officer :

Mr. Bhupesh P. Mehta, General Manager (Accounts & Finance) is the Compliance Officer of the Company.

- Shareholders' complaints :

During the year, the Company had received 3 complaints from the shareholders/investors which have been redressed satisfactorily. As on 31st March, 2012, no complaints were pending.

- Share Transfer :

All Share transfers are received in physical form only since Company has not yet signed the agreement for the demat of the shares. The procedure for transfer of shares is narrated under heading 'Share Transfer System' in this report at point no. 9(ix).

Bombay Oxygen Corporation Ltd.

6. General Body Meetings :

Location and time of last three Annual General Meetings (AGM) held are as under :

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
48th	2008-09	Walchand Hirachand Hall, Indian Merchant Chamber Building, 76, Veer Nariman Road, Churchgate, Mumbai - 400 020.	14.09.2009	11.00 A.M.	Nil
49th	2009-10	– do –	18.08.2010	11.00 A.M	Nil
50th	2010-11	– do	15.09.2011	11.00 A.M	Nil

No Special Resolution was passed in last year through Postal Ballot. No Special Resolution is proposed till date to be conducted through Postal Ballot this year.

7. Disclosures :

- (i) There are no transactions with any of the related parties.
- (ii) The Company has complied with all the provisions of various Corporate Acts, Rules and Regulations made there under, including various clauses of Listing Agreement. There has been no instance of non-compliance by the Company on any matter related to Capital Markets, during the last three years.
- (iii) Though there is no formal Whistle blower policy, the Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company.
- (iv) The Board of Directors has laid down a Code of Conduct for all the Board members and Members of the Senior Management of the Company. A declaration from the Chairman affirming compliance of the said Code is annexed.

8. Means of Communication :

- (i) The Board of Directors of the Company approve and take on record the unaudited quarterly financial results and audited annual financial results and announce forthwith the results to the Bombay Stock Exchange Ltd., where the shares of the Company are listed. The same are published in two local news papers within 48 hours of approval thereof and are displayed on the Company's website www.bomox.com.
- (ii) The Company has not made any presentation to institutional investors or to analysts. The Company does not have an official news release.
- (iii) Management Discussion and Analysis is a part of the Directors' Report.

9. General Shareholder information :

- (i) Fifty-first Annual General Meeting:
 - Date : 29th August, 2012
 - Time : 11.00 a.m.
 - Venue : Walchand Hirachand Hall,
Indian Merchant Chamber Building, 76, Veer Nariman Road,
Churchgate, Mumbai - 400 020.
- (ii) Financial Calendar (proposed) : April, 2012 to March, 2013
 - First Quarter results : Before 14th August, 2012
 - Second Quarter results : Before 14th November, 2012
 - Third Quarter results : Before 14th February, 2013
 - Audited results for the year ended : Before 30th May, 2013
 - 31st March, 2013

Bombay Oxygen Corporation Ltd.

- (iii) Date of Book Closure : 23rd August, 2012 to 29th August, 2012
 (iv) Dividend Payment Date : 1st September, 2012
 (v) Listing on Stock Exchange : Bombay Stock Exchange Limited
 (vi) Stock Code : 509470
 (vii) Market Price Data : High and Low of share price on BSE and BSE Sensex during each month in the last financial year:

MONTH	Price of the Share		BSE SENSEX	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2011	7668.05	6725.00	19811.14	18976.19
May, 2011	7749.00	6668.00	19253.87	17786.13
June, 2011	6651.80	6651.80	18873.39	17314.38
July, 2011	7756.05	6105.00	19131.70	18131.86
August, 2011	9426.45	7295.00	18440.07	15765.53
September, 2011	7717.55	6941.00	17211.80	15801.01
October, 2011	7400.00	7220.05	17908.13	15745.43
November, 2011	7200.00	7106.00	17702.26	15478.69
December, 2011	7800.00	6840.05	17003.71	15135.86
January, 2012	8222.00	7462.00	17258.97	15358.02
February, 2012	7500.00	6810.00	18523.78	17061.55
March, 2012	7125.00	6150.00	18040.69	16920.61

- (viii) Registrar and Transfer Agents : There is no Registrar and Transfer Agent and the Company carries on the job of share transfer in house.
- (ix) Share Transfer System
 Shares are to be lodged at the registered office of the Company for transfer along with transfer deed duly executed in all respect. All share transfers are normally processed within one month from the date of lodgement thereof and are approved by the Committee of Directors constituted by the Board of Directors for this purpose. The Committee meets once every fortnight/month depending upon the volume relating to transfers, transmissions, issue of duplicate shares, replacement of shares etc.
 Pursuant to Clause 47(c) of the Listing Agreement with the Bombay Stock Exchange, on half-yearly basis, certificates have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company and Secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company.
- (x) Distribution of Share Holding :

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1 – 50	5060	97.70	44181	29.45
51 – 100	76	1.47	5734	3.82
101 – 200	22	0.42	3425	2.28
201 – 300	4	0.08	1095	0.73
301 – 400	1	0.02	320	0.21
401 – 500	3	0.06	1440	0.96
501 & above	13	0.25	93805	62.55
	5179	100.00	150000	100.00

Bombay Oxygen Corporation Ltd.

(xi) Shareholding Pattern as on 31st March, 2012 :

Category	Number of Shares Held	% of Shares held
Indian Promoters	88400	58.93
Banks, FIs, Insurance Companies	244	0.16
Other Pvt. Corporate Bodies	5081	3.39
Indian Public	55964	37.31
Foreign Holdings (NRI/OCBs)	311	0.21
Total	150000	100.00

(xii) Dematerialisation of shares and liquidity : The Company has not yet signed agreement for the dematerialisation of its shares with any Depository. The shares are traded in physical form at the Bombay Stock Exchange Limited.

(xiii) Outstanding GDR/ADR/Warrants etc : Nil

(xiv) Plants Locations :

Location

Address

(i) Kalwe : In the premises of Mukand Ltd., Belapur Road, Kalwe, Thane.

(ii) Nagpur : 45/1, M.I.D.C., Hingna Industrial Estate, Near Facor Steel Ltd., Nagpur - 440 016.

(iii) Pune : Plot No. 64, F2 Block, Bhosari Ind. Estate, MIDC, Pimpri, Pune - 411 018.

(iv) Tarapur : Plot No. F - 8/2, MIDC Area, Tarapur, Dist. - Thane.

(xv) Address for correspondence : 22/B, Mittal Tower, 210, Nariman Point, Mumbai - 400 021.
Phone: 022-66107503-08
Fax : 022-66107513
Email: bomoxy@mtnl.net.in

(xvi) Corporate Identity Number (CIN) : Our Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is L74999MH1960PLC011835 and our Company Registration Number is 011835.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

Mumbai, 19th July, 2012.

S. M. Ruia
Chairman

Bombay Oxygen Corporation Ltd.

Auditors' Certificate on compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

To the members of Bombay Oxygen Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Bombay Oxygen Corporation Limited, for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. G. Shah & Co.
Chartered Accountants
Registration No. 109630W

JAYESHA S. SHAH
Proprietor

Membership No. 45801

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

COMPLIANCE CERTIFICATE

(Under rule 3 of Companies Compliance Certificate Rules, 2002)

To the Members of 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, 2012. 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 all the Registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and 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 is a public limited company and the restrictions mentioned in Section 3(1)(iii) of the Act is not applicable to public limited companies. The Authorised share capital is ₹ 3,00,00,000/- divided in to 1,50,000 Equity shares of ₹ 100/- each and 1,50,000 Unclassified shares of ₹ 100/- each and paid up share capital is ₹ 1,50,00,000/- divided in to 1,50,000 Equity shares of ₹ 100/- each;
4. the Board of Directors duly met 8 times on 11/05/2011, 02/08/2011, 16/08/2011, 15/09/2011, 08/11/2011, 14/11/2011, 06/02/2012 and 28/03/2012 in respect of which minutes 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 9th September, 2011 to 15th September, 2011 during the financial year and necessary compliance of Section 154 of the Act has been made;
6. the Annual General Meeting for the financial year ended on 31st March, 2011 was held on 15th September, 2011 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, save;
9. the Company has not entered into any contracts falling within the purview of Section 297 of the Act;
10. the Company is not required to make any entry 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 with the provisions of the Articles of Association of the Company;
13. The Company has:
 - (i) delivered all the share certificates on lodgment 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 50th Annual General Meeting in a separate bank account on 19/09/2011 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 ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited;
 - (iv) transferred the amounts in unpaid dividend account, mature 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 AGM;
15. the Company has not appointed Managing Director/Whole time Director during the year under review therefore compliance with the provisions of Section 269 read with Schedule XIII to the Act, and approval of the Central Government is not required;

Bombay Oxygen Corporation Ltd.

16. the Company has not made appointment of Sole-selling agents during the financial year;
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review other than the following:
 - (a) The Company made a petition to the Company Law Board for the condonation in the delay in filing Form 8 with the Registrar of Companies, Maharashtra, Mumbai. The Company received the order from CLB.
 - (b) The Company has filed an application to the Central Government in Form 23C pursuant to Section 233B(2) of the Companies Act, 1956 for the appointment of Cost auditors for the Company.
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 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 financial 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 Equity Shares acquired by the acquirer has been under litigation and as directed by Honorable 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 has already sold these shares to the acquirer;
23. the Company has complied with the provisions of Section 58A and 58AA read with Companies (Acceptance of deposit) Rules, 1975 and the applicable direction issued by the Reserve Bank of India, any other authority. The Company has not accepted or renewed any fixed deposit during the year under review. The Company had filed the Return of deposit with Registrar of Companies for the financial year ended 31/03/2011;
24. the amount borrowed by the Company from Directors, members, public financial institutions, Banks and from others during the financial year ending 31/03/2012 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 the 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 during the financial year;
31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act. However there is a delay in Filing Form 8 with Registrar of Companies for modification of Charge created on 23rd July, 2011 and filed on 2nd November, 2011 and for which the Company had filed Petition with Company Law Board, Western Region Bench, Mumbai.
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 employers contributions to provident fund with prescribed authorities during the financial year. The provisions of Section 418 of the Companies Act, 1956 are not applicable to the Company.

For SANJAY DHOLAKIA & ASSOCIATES

SANJAY R. DHOLAKIA
Practising Company Secretary
Proprietor
FCS 2655 CP 1798

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

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.	Index of Members	151
2.	Register of Debenture holder	152
3.	Registers of Director	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.	Minutes books Board of Directors/AGM/EGOM	
10.	Register of Nomination of shareholders	
11.	Register Investments	372/372A
12.	Register of charges	143
13.	Register of Investments	49
14.	Register of Deposits under Rule 7 of Deposit Rules	

Bombay Oxygen Corporation Ltd.

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 31st March, 2012.

Sr. No	Form No./ Returns	Section under Act	Particulars of documents	MCA filing date
1.	Annual Return	159(1)	as on 15/09/2011	22/11/2011
2.	Balance Sheet, Directors' & Auditor's Report	220(1)	as on 31/03/2011	01/12/2011
3.	Compliance Certificate	383A	31/03/2011	10/11/2011
4.	Appointment of Cost Auditor	233B(2)	31/03/2011	23/06/2011
5.	Return of deposits	58A	31/03/2011	23/06/2011
6.	Investor Education & Protection Fund		Unclaimed Dividend	19/12/2011
7.	Investor Education & Protection Fund		Unclaimed Interest	19/12/2011
8.	No. 8 Charges of moveable assets created in favour of Canara Bank	125	23/07/2011	02/11/2011
9.	Form 1	233B(4)	in respect of Cost Audit Report for Tarapur Unit	30/11/2011
10.	Form 1	233B(4)	in respect of Cost Audit Report for Nagpur Unit	30/11/2011
11.	Form 1	233B(4)	in respect of Cost Audit Report for Pune Unit	30/11/2011
12.	Form 1	233B(4)	in respect of Cost Audit Report Kalwe Unit.	01/12/2011
13.	Form 21		in respect of Company Law Board Order dated 12th December, 2011.	17/12/2011

For SANJAY DHOLAKIA & ASSOCIATES

SANJAY R. DHOLAKIA
Practising Company Secretary
Proprietor
FCS 2655 CP 1798

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

AUDITORS' REPORT TO THE MEMBERS OF BOMBAY OXYGEN CORPORATION LIMITED

1. We have audited the attached Balance Sheet of Bombay Oxygen Corporation Limited ('the Company') as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report as follows :
 - (i) As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - (ii) Further to our comments in the annexure referred to in paragraph 3 (i) 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, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable Accounting Standards referred to in Section 211(3C) of the Act;
 - (e) 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 March, 2012 are disqualified under Section 274(1)(g) of the Act from being appointed as directors;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. G. Shah & Co.
Chartered Accountants
Registration No.109630W

JAYESHA S. SHAH
Proprietor
Membership No. 45801

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

ANNEXURE REFERRED TO IN PARAGRAPH 3(i) OF THE AUDITOR'S REPORT TO THE MEMBERS OF BOMBAY OXYGEN CORPORATION LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed between physical fixed assets and the book records. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its business.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical inventory and the book records were not material.
- (iii) The Company has neither granted nor taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to unclaimed matured fixed deposits accepted from the public. The Company has however, not accepted any fresh deposits during the year under review.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts in respect of some of its products as prescribed by the Central Government of India under Section 209(1) (d) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) There are no disputes in respect of sales tax, wealth tax, service tax, custom duty and cess. Details regarding the dues of excise duty and income tax which have not been deposited on account of dispute are mentioned in Note 27 of Notes to financial statements.
- (x) The Company does not have any accumulated losses as at 31st March, 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) According to the records of the Company, it has not defaulted in repayment of its dues to any financial institution or bank during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Bombay Oxygen Corporation Ltd.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the aforesaid Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the aforesaid Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not availed any term loans during the year.
- (xvii) On the basis of review of utilisation of funds on an overall basis, related information as made available to us and as represented to us by the management, funds raised on short term basis have not been used for long term investment during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For K. G. Shah & Co.
Chartered Accountants
Registration No.109630W

JAYESHA S. SHAH
Proprietor
Membership No. 45801

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2012

			As at 31st March, 2012 ₹ '000	As at 31st March, 2011 ₹ '000
Note No.	₹ '000	₹ '000	₹ '000	₹ '000
EQUITY AND LIABILITIES :				
Shareholders' funds				
Share capital	3	15,000	15,000	
Reserves and surplus	4	1,999,132	1,991,795	
		2,014,132		2,006,795
Non-current liabilities				
Long-term borrowings	5	482	1,490	
Deferred tax liabilities (net)	6	78,304	82,055	
Long-term provisions	7	7,728	5,327	
		86,514		88,872
Current liabilities				
Trade payables	8	14,628	21,319	
Other current liabilities	9	29,915	31,717	
Short-term provisions	10	4,590	5,689	
		49,133		58,725
TOTAL		<u>2,149,779</u>		<u>2,154,392</u>
ASSETS :				
Non-current assets				
Fixed assets – Tangible	11	447,742		486,683
Non-current investments	12	290,765		301,515
Long-term loans and advances	13	34,989		34,091
Current assets				
Current investments	14	277,671	197,206	
Inventories	15	23,047	23,296	
Trade receivables	16	65,952	67,861	
Cash and bank balances	17	5,669	8,429	
Short-term loans and advances	18	1,003,944	1,035,311	
		1,376,283		1,332,103
TOTAL		<u>2,149,779</u>		<u>2,154,392</u>
Significant Accounting Policies				
2				
The accompanying notes are an integral part of the financial statements.				

As per our report of even date.

For K.G. SHAH & CO.
Chartered Accountants
Registration No. 109630W

JAYESHA S. SHAH
Proprietor
Membership No. : 45801
Mumbai, 19th July, 2012.

SHYAM M. RUIA	<i>Chairman</i>
IBRAHIM A. RAHIMTOOLA	<i>Director</i>
NIRMAL P. JHUNJHUNWALA	<i>Director</i>
MOHAN BIR SINGH	<i>Director</i>
AJIT M. GHELANI	<i>Director</i>
AMAY S. RUIA	<i>Director</i>

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Year ended 31st March, 2012 ₹ '000	Year ended 31st March, 2011 ₹ '000	₹ '000	₹ '000
INCOME :					
Revenue from operations		402,904		457,591	
Less: Excise duty		36,276		40,221	
Revenue from operations (net)	19	366,628		417,370	
Other income	20	30,263		22,480	
Total revenue			396,891		439,850
EXPENSES :					
Purchases of traded goods	21a	2,416		16,053	
(Increase)/Decrease in inventory of finished goods and work in progress	21b	1,048		(1,236)	
Employee benefits expense	22	29,959		30,924	
Depreciation	23	35,299		35,999	
Other expenses	24	320,774		305,755	
Total expenses			389,496		387,495
Profit before tax			7,395		52,355
Tax expense :					
Current tax			—		12,600
Deferred tax			(3,751)		(1,698)
			(3,751)		10,902
Profit for the year			11,146		41,453
Earnings per share of face value of ₹ 100/- each					
Basic & diluted (in ₹)	25		74.31		276.35
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements.					

As per our report of even date.

For K.G. SHAH & CO.
Chartered Accountants
Registration No. 109630W

JAYESHA S. SHAH
Proprietor
Membership No. : 45801
Mumbai, 19th July, 2012.

SHYAM M. RUIA
IBRAHIM A. RAHIMTOOLA
NIRMAL P. JHUNJHUNWALA
MOHAN BIR SINGH
AJIT M. GHELANI
AMAY S. RUIA

Chairman
Director
Director
Director
Director
Director

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ '000	₹ '000	₹ '000	₹ '000
A. Cash flow from operating activities :				
Net profit before tax		7,395		52,355
Adjustments for :				
Depreciation	35,299		35,999	
Interest income	(1,492)		(1,053)	
Dividend on shares	(420)		(2,056)	
Dividend from Mutual Funds	(19,759)		(8,387)	
(Profit)/Loss on sale of Investments	2,082		(9,797)	
(Profit)/Loss on sale of assets	(9,939)		(296)	
		5,771		14,410
Operating profit before working capital changes		13,166		66,765
Changes in working capital :				
Adjustments for (increase)/decrease in operating assets :				
Trade and other receivables	23,659		(46,573)	
Inventories	249		(1,468)	
Adjustments for increase/(decrease) in operating liabilities :				
Trade and other payables	(6,022)		(8,418)	
		17,886		(56,459)
Cash generated from operations		31,052		10,306
Interest paid	(30)		(19)	
Direct taxes paid	(1,241)		(14,491)	
		(1,271)		(14,510)
Net cash flow from/(used in) operating activities		29,781		(4,204)
B. Cash flow from investing activities :				
Purchase of fixed assets	(645)		(976)	
Sale of fixed assets	13,345		296	
Dividend on shares	420		2,056	
Dividend from Mutual Funds	19,759		8,387	
Sale & Purchase of Investments (net)	(2,082)		9,797	
Investments in Mutual Funds & Shares	(69,715)		(12,435)	
Intercompany Deposit	10,000		0	
Decrease/(Increase) in fixed deposits (net) (Bank fixed deposits having maturity of more than 3 months)	(589)		832	
Interest received	1,452		1,263	
Net cash (used in)/from investing activities		(28,055)		9,220

Bombay Oxygen Corporation Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ '000	₹ '000	₹ '000	₹ '000
C. Cash flow from financing activities :				
Repayment of borrowings	(1,666)		(2,364)	
Dividend paid	(3,409)		(3,394)	
Net cash (used in)/from financing activities		<u>(5,075)</u>		<u>(5,758)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(3,349)</u>		<u>(742)</u>
Cash and cash equivalents – Opening balance		5,901		6,643
Cash and cash equivalents – Closing balance		2,552		5,901

As per our report of even date.

For K.G. SHAH & CO.
Chartered Accountants
Registration No. 109630W

JAYESHA S. SHAH
Proprietor

Membership No. : 45801

Mumbai, 19th July, 2012.

SHYAM M. RUIA

IBRAHIM A. RAHIMTOOLA
NIRMAL P. JHUNJHUNWALA
MOHAN BIR SINGH
AJIT M. GHELANI
AMAY S. RUIA

Chairman

Director

Director

Director

Director

Director

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

1. CORPORATE INFORMATION :

Bombay Oxygen Corporation Limited is a Public Limited Company incorporated on 3rd October, 1960 and listed on Bombay Stock Exchange Ltd.

The Company is one of the leading manufacturers and suppliers of Industrial gases like oxygen, nitrogen, argon and medical oxygen, both in liquid and gaseous form in tankers and cylinders to the public and the private sector, as well as through pipelines by installing and running onsite plants for high volume customers.

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of accounting and preparation of financial statements

The accounts are prepared on a historical cost convention except as stated otherwise. The Company follows an accrual basis of accounting. The financial statements are prepared in accordance with accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Inventories

Finished goods produced or purchased are valued at lower of cost and net realisable value. Stores and Spare Parts are valued at landed cost determined on first-in-first-out (FIFO) basis. Plant components are valued at cost.

(d) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

(e) Depreciation on fixed assets and amortisation

Depreciation on fixed assets, excluding cylinders, is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Cylinders acquired prior to 31st March, 1989 and revalued are depreciated over a useful life of 18 years and cylinders acquired subsequent to 31st March, 1989 are depreciated on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Leasehold land at Pune, Tarapur and Nagpur acquired from MIDC are not amortised over the period of lease.

(f) Revenue recognition

Sales comprise, invoiced value of goods sold and services rendered, and are net of value added tax, central sales tax, trade discount, returns and rebates.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the shareholders' right to receive dividend is established by the Balance Sheet date.

(g) Fixed assets

Fixed Assets are stated at cost or revaluation less accumulated depreciation.

(h) Foreign currency transactions

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Profit and Loss. Premium or discount in respect of forward contracts is accounted over the period of the contract.

(i) Investments

Long-term investments are stated at cost, except where there is a diminution in value, other than temporary, in which case the carrying value is reduced to recognise the decline. Current investments are stated at lower of cost and fair value.

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

(j) Employee benefits

Company's contribution to Provident Fund is charged to Statement of Profit and Loss on accrual basis.

The liability towards gratuity is determined using the projected unit credit method. The valuation has been ascertained by the Life Insurance Corporation of India at the year end.

The liability in respect of future payments of leave encashment is provided on the basis of an actuarial valuation ascertained at the year end.

(k) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(l) Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted average number of equity shares outstanding during the year.

(m) Taxes on income

Current tax is determined on the profit for the year in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is calculated at the tax rates and laws that have been enacted or substantially enacted by the Balance sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that they can be realised.

(n) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction in the carrying amount is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(o) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised as a liability but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

	As at 31st March, 2012		As at 31st March, 2011	
	Number of Shares	₹ '000	Number of Shares	₹ '000
3. SHARE CAPITAL				
Authorised				
Equity shares of ₹ 100 each	150,000	15,000	150,000	15,000
Shares (Unclassified) of ₹ 100 each	150,000	15,000	150,000	15,000
		30,000		30,000

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	Number of Shares	₹ '000	Number of Shares	₹ '000
3. SHARE CAPITAL (Contd.)				
Issued, Subscribed and fully paid-up				
Equity shares of ₹100 each	150,000	15,000	150,000	15,000
		<u>15,000</u>		<u>15,000</u>

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

	As at 31st March, 2012		As at 31st March, 2011	
	Number of Shares	₹ '000	Number of Shares	₹ '000
Equity shares :				
At the beginning of the year	150,000	15,000	150,000	15,000
Add: Shares allotted as fully paid-up during the year	—	—	—	—
Less: Shares bought back during the year	—	—	—	—
Outstanding at the end of the year	<u>150,000</u>	<u>15,000</u>	<u>150,000</u>	<u>15,000</u>

- (ii) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (iii) Details of shares held by each shareholder holding more than 5% shares :

	As at 31st March, 2012		As at 31st March, 2011	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of ₹ 100 each fully paid-up				
The Reliance Investment Co. Pvt. Ltd.	21,140	14.09	21,140	14.09
M. Ramnarain Pvt. Ltd.	24,095	16.06	24,095	16.06
Shamun Pvt. Ltd.	9,525	6.35	9,525	6.35
Shyam Madanmohan Ruia	11,205	7.47	11,205	7.47
Uma Maharajsinh Mehta	7,835	5.22	7,835	5.22

Messer Griesheim GmbH ("Messer") had acquired 75,001 shares, which have not been transferred on account of the various orders of the Courts to that effect. The shares still continue to stand in the name of the original shareholders. Subsequently the right, title and interest in these 75,001 shares is sold to the promoters by "Messer".

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

		As at 31st March, 2012		As at 31st March, 2011
	₹ '000	₹ '000	₹ '000	₹ '000
4. RESERVES AND SURPLUS				
Capital reserve		94		94
Revaluation reserve				
Balance as per the last financial statements	977		1,036	
<i>Less:</i>				
Transferred to Statement of Profit and Loss	30		56	
Transferred to Statement of Profit and Loss on sale of Revalued Asset	293		3	
		654		977
General reserve				
Balance as per the last financial statements	1,990,724		1,952,757	
<i>Add :</i>				
Transferred from Statement of Profit and Loss	7,660		37,967	
		1,998,384		1,990,724
Surplus in the Statement of Profit and Loss				
Balance as per the last financial statements	—		—	
Profit for the year	11,146		41,453	
<i>Less: Appropriations</i>				
Proposed Dividend	3,000		3,000	
Tax on Proposed Dividend	486		486	
Transfer to General Reserve	7,660		37,967	
		—		—
		1,999,132		1,991,795

	Non-current Liabilities		Current Liabilities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	₹ '000	₹ '000	₹ '000	₹ '000
5. LONG-TERM BORROWINGS				
Unsecured				
Sales Tax deferral loan	482	1,490	1,008	1,666
<i>Less:</i>				
Amount disclosed under the head "Other Current Liabilities"	—	—	1,008	1,666
Net Amount	482	1,490	—	—

Deferment of sales tax liability (collected), under Part-I of the 1988 Package Scheme of Incentives of Government of Maharashtra from the period 01.10.1994 to 31.03.1999. The repayment is made in five equal annual instalments, after 10 years from the year end of deferment of sales tax.

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012	As at 31st March, 2011
	₹ '000	₹ '000
6. DEFERRED TAX LIABILITY (NET)		
Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per Income tax	81,877	82,505
Less: Deferred tax asset		
Provision for employee benefits	423	450
Unabsorbed depreciation	3,150	—
	<u>78,304</u>	<u>82,055</u>
7. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer Note 30)	7,728	5,327
	<u>7,728</u>	<u>5,327</u>
8. TRADE PAYABLES		
Trade payables	14,628	21,319
	<u>14,628</u>	<u>21,319</u>
Dues to the Micro, Small & Medium Enterprises – Nil (Previous year – Nil).		
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note 5)	1,008	1,666
Investor Education and Protection Fund will be credited by following amounts as and when due :		
Unpaid dividends	921	844
Unpaid matured deposits and interest accrued thereon	657	780
	<u>1,578</u>	1,624
Other payables :		
Statutory remittances	2,248	3,336
Advances from customers	2,180	2,177
Interest free deposits from customers	22,901	22,914
	<u>27,329</u>	28,427
	<u>29,915</u>	<u>31,717</u>
10. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer Note 30)	1,104	2,203
Provisions – Others :		
Proposed equity dividend	3,000	3,000
Tax on proposed dividend	486	486
	<u>3,486</u>	3,486
	<u>4,590</u>	<u>5,689</u>

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

11. FIXED ASSETS :

₹ '000

Tangible Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 01.04.2011	For the year	On deductions/ adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Leasehold Land	461	—	—	461	—	—	—	—	461	461
Leasehold Depot	104	—	—	104	—	—	—	—	104	104
Buildings*	137,820	—	2,901	134,919	25,162	4,512	2,176	27,498	107,421	112,658
Plant and Machinery	557,643	—	37,772	519,871	269,606	24,805	34,815	259,596	260,275	288,037
Transport Tanks	107,054	—	—	107,054	30,145	4,985	—	35,130	71,924	76,909
Furniture & Fixtures	2,076	24	28	2,072	472	127	26	573	1,499	1,604
Office Equipment	4,394	63	31	4,426	1,339	313	16	1,636	2,790	3,055
Vehicles	7,479	—	—	7,479	3,624	587	—	4,211	3,268	3,855
	817,031	87	40,732	776,386	330,348	35,329	37,033	328,644	447,742	486,683
Previous Year	816,221	917	107	817,031	294,397	36,055	104	330,348	486,683	

* Includes ₹ 250/- (Previous year - ₹ 250/-) being the cost of shares in a Co-operative Housing Society Limited at Thane.

As at 31st March, 2012

As at 31st March, 2011

Nos. ₹ '000 Nos. ₹ '000

12. NON-CURRENT INVESTMENTS

Non-Trade Investments :

(valued at cost unless stated otherwise) :

(a) Investment in Subsidiaries – Unquoted

(i) Equity Shares of Bombay Oxygen Gases Ltd. of ₹ 10/- each	—	—	50,000	500
(ii) Equity Shares of Bombay Oxygen Acetylene Ltd. of ₹ 10/- each	—	—	50,000	500
				1,000

(b) Investment in Mutual Funds – Unquoted (Units of ₹ 10/- each) :

J. M. Core 11 Fund – Growth Plan	20000000	200,000	20000000	200,000
		200,000		200,000

(c) Investment in Equity Shares – Quoted (Shares of ₹ 10 each, unless otherwise specified)

1. AIA Engineering Ltd. (Shares of ₹ 2 each)	—	—	12,799	4,103
2. Allcargo Logistics Ltd. (Shares of ₹ 2 each)	19,737	3,233	—	—
3. Axis Bank Ltd.	6,754	8,045	6,840	8,909
4. Bajaj Auto Ltd.	1,751	2,434	—	—
5. Bajaj Electricals Ltd. (Shares of ₹ 2 each)	17,288	3,232	—	—
6. Bajaj Finance Ltd.	6,997	4,509	—	—
7. Bank of Baroda	3,594	2,778	—	—
8. Cadila Healthcare Ltd. (Shares of ₹ 5 each)	6,327	5,066	—	—
9. Century Textiles & Industries Ltd.	8,300	3,051	—	—
10. Coal India Ltd.	—	—	19,530	5,079

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	Nos.	₹ '000	Nos.	₹ '000
12. NON-CURRENT INVESTMENTS (Contd.)				
(c) Investment in Equity Shares – Quoted (Shares of ₹ 10 each, unless otherwise specified) (Contd.)				
11. Cox And Kings Ltd. (Shares of ₹ 5 each)	22,169	4,429	—	—
12. Divi's Laboratories Ltd. (Shares of ₹ 2 each)	3,989	3,291	—	—
13. EID Parry (India) Ltd. (Shares of ₹ 2 each)	—	—	35,600	9,042
14. Elgi Equipments Ltd. (Shares of ₹ 1 each)	—	—	86,071	6,942
15. Emami Ltd. (Shares of ₹ 1 each)	7,805	2,764	—	—
16. Exide Industries Ltd. (Shares of ₹ 1 each)	28,676	4,633	16,943	2,217
17. Grindwell Norton Ltd. (Shares of ₹ 5 each)	—	—	28,228	5,724
18. HCL Technologies Ltd. (Shares of ₹ 2 each)	6,632	2,807	—	—
19. Hindustan Dorr—Oliver Ltd. (Shares of ₹ 2 each)	—	—	43,618	5,372
20. Hi-Tech Gears Ltd.	—	—	56,162	5,932
21. ICICI Bank Ltd.	5,603	5,761	—	—
22. Ipca Laboratories Ltd. (Shares of ₹ 2 each)	12,119	3,578	—	—
23. Jain Irrigation Systems Ltd. (Shares of ₹ 2 each)	22,541	3,204	—	—
24. JSW Energy Ltd.	—	—	31,917	3,753
25. Lupin Ltd. (Shares of ₹ 2 each)	6,213	2,804	—	—
26. Mahindra & Mahindra Financial Services Ltd.	4,494	2,953	—	—
27. Multi Commodity Exchange of India Ltd.	2,819	3,931	—	—
28. Opto Circuits (India) Ltd.	14,885	3,170	—	—
29. Oracle Financial Services Software Ltd. (Shares of ₹ 5 each)	1,585	3,330	—	—
30. Orient Paper & Industries Ltd. (Shares of ₹ 1 each)	—	—	97,876	5,702
31. Power Finance Corporation Ltd.	—	—	7,865	1,852
32. Power Grid Corporation	—	—	93,250	8,967
33. Raymond Ltd.	8,692	3,276	—	—
34. Redington (India) Ltd. (Shares of ₹ 2 each)	—	—	99,936	8,049
35. State Bank Of Travancore Ltd.	—	—	2,126	1,270
36. Sun TV Network Ltd. (Shares of ₹ 5 each)	10,150	3,115	—	—
37. Tata Consultancy Services Ltd. (Shares of ₹ 1 each)	2,460	2,465	—	—
38. Tube Investments Of India Ltd (Shares of ₹ 2 each)	—	—	63,341	9,742
39. Whirlpool of India Ltd.	—	—	29,233	7,860
40. Zee Entertainment Enterprises Ltd. (Shares of ₹ 1 each)	22,926	2,906	—	—
		90,765		100,515
		290,765		301,515

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	Book Value ₹ '000	Market Value ₹ '000	Book Value ₹ '000	Market Value ₹ '000
12. NON-CURRENT INVESTMENTS (Contd.)				
Aggregate of Quoted Investments	90,765	91,409	100,515	99,246
Aggregate of Unquoted Investments	200,000		201,000	
	290,765		301,515	
		As at 31st March, 2012		As at 31st March, 2011
		₹ '000		₹ '000
13. LONG-TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Security deposits		3,811		4,035
Prepaid expenses		66		185
Advance income tax (net of provision)		31,112		29,871
		34,989		34,091
		As at 31st March, 2012		As at 31st March, 2011
		Nos.		Nos.
		₹ '000		₹ '000
14. CURRENT INVESTMENTS				
(At lower of cost and fair value, unless otherwise stated)				
Investment in Mutual Funds – Unquoted (Units of ₹ 10 each, unless otherwise specified)				
1. Axis Fixed Term Plan - Service 23 (3 Months) – Dividend Payout	1000000.000	10,000	—	—
2. Axis Treasury Advtg (Units of ₹ 1000 each)	—	—	25426.9792	25,428
3. Axis Short Term Fund – Institutional Regular Dividend Reinvestment	—	—	5196008.210	52,083
4. Birla Sun Life Short Term FMP Series 30 Dividend – Payout	1014140.000	10,141	—	—
5. HDFC Cash Management Fund - Savings Plan – Daily Dividend Reinvestment Option – Reinvest	2951811.189	31,397	970239.311	10,320
6. ICICI Prudential Blended Plan B Institutional Daily Dividend Option – II	—	—	7958160.667	79,641
7. ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend	555989.000	5,560	—	—
8. ICICI Prudential Flexible Income Plan Premium – Daily Dividend (Units of ₹ 100 each)	—	—	49252.267	5,208
9. IDFC Money Manager Fund – Investment Plan A – Daily Dividend	4207822.474	42,078	—	—
10. Reliance Liquid Fund – TP – Instl. – Daily Dividend	602937.127	9,217	—	—
11. Reliance Medium Term Fund – Daily Dividend	3076672.286	52,598	—	—
12. Reliance Money Manager Fund Institutional – Daily Dividend Plan (Units of ₹ 1000 each)	26239.556	26,276	24492.956	24,526

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012		As at 31st March, 2011	
	Nos.	₹ '000	Nos.	₹ '000
14. CURRENT INVESTMENTS (Contd.)				
13. Templeton India Treasury Management Account Institutional Plan – Daily Dividend (Units of ₹ 1000 each)	34693.062	34,716	—	—
14. UTI FMP Quarterly Series Institutional Dividend Plan – Reinvestment	5568826.009	55,688	—	—
		<u>277,671</u>		<u>197,206</u>
		As at 31st March, 2012		As at 31st March, 2011
	₹ '000	₹ '000	₹ '000	₹ '000
15. INVENTORIES				
(At lower of cost and net realisable value)				
Plant components		11,416		11,418
Finished goods		5,555		6,601
Stores and spares [includes stock-in-transit ₹ 22(000) (Previous Year – ₹ 93(000))]		6,076		5,277
		<u>23,047</u>		<u>23,296</u>
16. TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they were due for payment		6,934		6,746
Others		59,018		61,115
		<u>65,952</u>		<u>67,861</u>
17. CASH AND BANK BALANCES				
Cash and cash equivalents :				
Cash on hand	208		198	
Cheques, drafts on hand	1,292		818	
Balances with banks				
(i) In current accounts	96		4,003	
(ii) In earmarked accounts				
– Unpaid dividend accounts	921		844	
– Unpaid interest on deposits	35		38	
		<u>2,552</u>		<u>5,901</u>
Other bank balances :				
(i) In deposit accounts with original maturity of 12 months	100		116	
(ii) Margin money deposits	3,017		2,412	
		<u>3,117</u>		<u>2,528</u>
		<u>5,669</u>		<u>8,429</u>
18. SHORT-TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Security deposits	—			10
Advances to employees	11			17
Prepaid expenses	2,831			2,140
Balances with government authorities	864			841
Inter-corporate deposits*	990,000			1,000,000
Advances recoverable in cash or in kind	10,238			32,303
		<u>1,003,944</u>		<u>1,035,311</u>

* The Company has got an arbitration award of ₹ 1,061,700 (000).

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ '000	₹ '000	₹ '000	₹ '000
19. REVENUE FROM OPERATIONS :				
Sale of products		356,781		406,531
Other operating revenues		46,123		51,060
		402,904		457,591
Less: Excise duty		36,276		40,221
		366,628		417,370
Sale of products comprises :				
Manufactured goods :				
Industrial Gases		317,986		342,435
Traded goods :				
Industrial Gases		2,519		23,875
Total – Sale of products		320,505		366,310
Other operating revenues :				
Transport & Octroi	40,880		45,479	
Others	5,243		5,581	
		46,123		51,060
Revenue from operations (net)		366,628		417,370
20. OTHER INCOME :				
Interest :				
on Deposits with Bank/Others		348		140
on Long Term Investment		—		274
on Overdue Debts		1,144		639
		1,492		1,053
Dividend income :				
from current investments		19,759		8,387
from long-term investments		420		2,056
		20,179		10,443

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ '000	₹ '000	₹ '000	₹ '000
Net gain/(loss) on sale of :				
current investments	118		1,689	
long-term investments	(2,200)		8,108	
		<u>(2,082)</u>		9,797
Other non-operating income :				
Profit on sale of Assets	9,939		296	
Sales tax set off	317		705	
Miscellaneous Income	418		186	
		<u>10,674</u>		1,187
		<u>30,263</u>		<u>22,480</u>

21a. PURCHASE OF TRADED GOODS :

Industrial Gases	2,416	16,053
	<u>2,416</u>	<u>16,053</u>

21b. CHANGES IN INVENTORIES OF FINISHED

GOODS AND WORK-IN-PROGRESS :

Inventories at the end of the year :

Finished goods	5,555	6,601
Plant components	11,416	11,418
	<u>16,971</u>	<u>18,019</u>

Inventories at the beginning of the year :

Finished goods	6,601	5,365
Plant components	11,418	11,418
	<u>18,019</u>	<u>16,783</u>
Net (increase) / decrease	1,048	(1,236)

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹ '000	₹ '000
22. EMPLOYEE BENEFITS EXPENSE :		
Salaries, wages and bonus	23,961	24,907
Contributions to provident and other funds	2,751	2,769
Gratuity (refer note 30)	2,387	2,550
Staff welfare expenses	860	698
	29,959	30,924
23. DEPRECIATION :		
Depreciation for the year on tangible assets as per Note 11	35,329	36,055
Less: Recouped from Revaluation Reserve	30	56
	35,299	35,999
24. OTHER EXPENSES :		
Consumption of stores and spare parts	2,868	4,404
Power	246,623	225,133
Rent	3,031	3,063
Repairs and maintenance :		
Buildings	57	185
Machinery	958	2,908
Others	106	105
	1,121	3,198
Insurance	1,352	1,517
Rates and taxes	2,644	2,726
Carriage Outward and Transportation	42,146	41,806
Communications cost	731	740
Travelling, conveyance and car	2,315	2,087
Printing and stationery	659	581
Legal and professional	10,814	15,406
Carried Forward.....	314,304	300,661

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ '000	₹ '000	₹ '000	₹ '000
Brought Forward.....		314,304		300,661
Payments to auditors :				
Audit Fees		337		331
Tax Audit Fees		82		82
Other Services		304		262
		723		675
Bad Debts written off		11		9
Investments in Subsidiaries written off (refer note 32)		1,000		0
Miscellaneous expenses		4,544		4,296
Director's sitting fees		192		114
		320,774		305,755

25. EARNINGS PER SHARE AS PER ACCOUNTING STANDARD - 20 (AS-20) IS AS UNDER :

	₹ '000	Year ended	Year ended
		31st March, 2012	31st March, 2011
Profit after tax		11,146	41,453
Weighted average number of Equity Shares for Basic & Diluted EPS	Nos.	150,000	150,000
Nominal value per Equity Share	₹	100	100
Earnings per Share (Basic & Diluted)	₹	74.31	276.35

26. CONTINGENT LIABILITIES NOT PROVIDED FOR :

- Claim against the Company not acknowledged as debts ₹ **742(000)** [Previous year – ₹ 742(000)].
- Disputed liability towards excise ₹ **21,194(000)** [Previous year – ₹ 21,194(000)] in respect of various units.
- Disputed liability in respect of Income tax ₹ **101(000)** [Previous year – ₹ 101(000)].
- Bills discounted ₹ **5,215(000)** [Previous year – Nil].

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

27. Information (required in terms of paragraph 4 (ix) (b) of the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India) in respect of disputed Excise Duty and Income Tax not deposited as on 31st March, 2012 are as follows :

Sr. No.	Nature of dues	Financial years to which the matter pertain	Forum where the dispute is pending	Amount (₹ in '000)
(i)	Excise Duty	1996-2000	CEGAT (West Zonal Bench)	3,244
		1994-2003	CEGAT	9,941
		2001-2007	CEGAT	70
		2004-2006	Comm. of Central Excise, Raigad Commissionerate	7,939
(ii)	Income Tax	1998-1999	ITAT - Mumbai	101

28. VALUE OF IMPORTED AND INDIGENEOUS COMPONENTS AND SPARE PARTS CONSUMED :

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	% of total consumption	₹ '000	% of total consumption	₹ '000
Components and Spare Parts				
Imported	—	—	—	—
Indigenous	100	2,868	100	4,404
	100	2,868	100	4,404

Year ended 31st March, 2012	Year ended 31st March, 2011
₹ '000	₹ '000

29. CIF VALUE OF IMPORTS :

Stores & Spares	287	—
-----------------	-----	---

30. Employee Benefits :

The disclosures as required as per the Revised Accounting Standard-15 (AS-15) are as under :

- (a) Charge to the Statement of Profit and Loss based on contributions :

	31st March, 2012	31st March, 2011
	₹ '000	₹ '000
Gratuity	2,387	2,550
Leave Encashment	338	494

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

(b) Defined benefit plans based on actuarial reports as on 31st March, 2012

	As on 31st March, 2012		As on 31st March, 2011	
	Gratuity (Funded)	Leave Encashment (Non Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)
	₹ '000	₹ '000	₹ '000	₹ '000
1. Change in Defined Benefit Obligation				
Opening defined benefit obligation	13,417	2,533	12,544	2,580
Current Service Cost	481	532	460	506
Interest Cost	1,073	202	1,004	206
Actuarial loss/(gain)	1,565	(396)	1,829	(218)
Benefits paid	(1,652)	(325)	(2,420)	(541)
Closing defined benefit obligation	<u>14,884</u>	<u>2,546</u>	<u>13,417</u>	<u>2,533</u>
2. Change in Fair Value of Assets				
Opening fair value of plan assets	8,420	Nil	8,711	Nil
Expected return on plan assets	732	Nil	743	Nil
Actuarial gain/(loss)	Nil	Nil	Nil	Nil
Contributed by employer	1,098	Nil	1,386	Nil
Benefits paid	(1,652)	Nil	(2,420)	Nil
Closing fair value of plan assets	<u>8,598</u>	<u>Nil</u>	<u>8,420</u>	<u>Nil</u>
3. Amount recognised in the Balance Sheet				
Present value of obligations as at year end	14,884	2,546	13,417	2,533
Fair value of plan assets as at year end	(8,598)	Nil	(8,420)	Nil
Net (asset)/liability recognised as at year end	<u>6,286</u>	<u>2,546</u>	<u>4,997</u>	<u>2,533</u>
4. Expenses recognised in Statement of Profit and Loss				
Current service cost	481	532	460	506
Interest Cost	1,073	202	1,004	206
Expected return on plan assets	(732)	Nil	(743)	Nil
Net actuarial loss/(gain)	1,565	(396)	1,829	(218)
Total expenses	<u>2,387</u>	<u>338</u>	<u>2,550</u>	<u>494</u>

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	As on 31st March, 2012		As on 31st March, 2011	
	Gratuity (Funded) ₹ '000	Leave Encashment (Non Funded) ₹ '000	Gratuity (Funded) ₹ '000	Leave Encashment (Non Funded) ₹ '000
	5. Principal actuarial assumptions used			
Discount rate (p.a.)	8.00%	8.00%	8.00%	8.00%
Mortality Table (L.I.C.)	(1994-96) Ultimate	(1994-96) Ultimate	(1994-96) Ultimate	(1994-96) Ultimate
Turnover Rate (p.a.)	1% – 3%	1%	1% – 3%	1%
Future Salary Increase (p.a.)	4%	5%	4%	5%

31. Segment Reporting as per Accounting Standard - 17 (AS-17) :

- (a) The Company has two primary business segments viz :
- (i) Industrial Gases and
 - (ii) Plant Manufacturing Division
- (b) The Company operates within the geographical limits of India, accordingly secondary segments have not been considered.

	Year ended 31st March, 2012 ₹ '000	Year ended 31st March, 2011 ₹ '000
Segment Revenue		
Industrial Gases	366,628	417,370
Plant Manufacturing Division	—	—
Total	366,628	417,370
Less: Inter segment revenue	—	—
Total Segment Revenue	366,628	417,370
Segment Results		
Industrial Gases	(21,868)	29,875
Plant Manufacturing Division	—	—
Operating Income	(21,868)	29,875
Less: Unallocable expense	1,000	—
Add: Other Income	30,263	22,480
Profit before tax	7,395	52,355
Less : Tax expense	(3,751)	10,902
Profit for the year	11,146	41,453

Bombay Oxygen Corporation Ltd.

Notes to Financial Statements for the year ended 31st March, 2012

	Year ended 31st March, 2012 ₹ '000	Year ended 31st March, 2011 ₹ '000
Segment Assets		
Industrial Gases	546,524	614,176
Plant Manufacturing Division	11,416	11,418
Unallocated	1,591,839	1,528,798
Total Assets	2,149,779	2,154,392
Segment Liabilities		
Industrial Gases	50,933	60,069
Plant Manufacturing Division	2,000	2,000
Unallocated	83,368	86,505
Total Liabilities	136,301	148,574
Capital expenditure (allocable)	87	917
Depreciation	35,299	35,999
Non-cash expenses other than depreciation	—	—

- 32.** The subsidiaries viz. Bombay Oxygen Gases Ltd. and Bombay Oxygen Acetylene Ltd. have been closed and their names are struck off from the register of the Registrar of Companies with effect from 28.12.2011 & 27.12.2011 respectively.
- 33.** Tata SSL Limited had unilaterally suspended taking supply of gases from the Company's Tarapur plant from October, 2000. The outstanding dues continues at ₹ 4,746(000) (excluding interest) as on 31.03.2012, for which the Company has taken necessary legal action, and also made a claim for non-lifting of minimum 50,000 cu.ms. of oxygen gas per month from 01.11.2000 as per Agreement with them.
- 34.** The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. The disclosure and presentation have been made in the financial statements accordingly. Previous year's figures have accordingly been regrouped / reclassified, to correspond with the current year's classification/disclosure.

Signatures to Notes 1 to 34

As per our report of even date.

For K. G. SHAH & CO.
Chartered Accountants

Registration No. 109630W

JAYESHA S. SHAH
Proprietor

Membership No. : 45801

Mumbai, 19th July, 2012.

SHYAM M. RUIA

Chairman

IBRAHIM A. RAHIMTOOLA

Director

NIRMAL P. JHUNJHUNWALA

Director

MOHAN BIR SINGH

Director

AJIT M. GHELANI

Director

AMAY S. RUIA

Director

Mumbai, 19th July, 2012.

Bombay Oxygen Corporation Ltd.

Registered Office: 22/B, Mittal Tower, 210, Nariman Point, Mumbai – 400 021.

**Members
Feedback
Form
2011-2012**

Name : e-mail id

Address :

.....

Folio No. :

No. of equity shares held :

Signature of member/s

		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors Report and Management's Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
INVESTOR SERVICES						
Turnaround time for response to						
Quality of response						
Timely receipt of Annual Report						
Conduct of Annual General Meeting						
Timely receipt of dividend warrants						
Overall rating						

Views/Suggestions for improvement, if any

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Tear Here

Bombay Oxygen Corporation Ltd.

Registered Office: 22/B, Mittal Tower, 210, Nariman Point, Mumbai – 400 021.

PROXY FORM

I/We of.....
in the district ofbeing a member/members of the above named Company
hereby appoint
of in the district of
or failing him of.....
in the district of
as my/our proxy to vote for me/us on my/our behalf at the FIFTY-FIRST ANNUAL GENERAL MEETING of the
Company to be held on Wednesday, 29th August, 2012 at 11.00 a.m. and at any adjournment thereof.
Signed this day of 2012.



Signature across Revenue Stamp

Tear Here

Bombay Oxygen Corporation Ltd.

Registered Office: 22/B, Mittal Tower, 210, Nariman Point, Mumbai – 400 021.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending : _____
Full Name of the first joint-holder : _____
(To be filled in if the first named joint-holder does not attend the meeting).
Name of Proxy : _____
(To be filled in if Proxy Form has been duly deposited with the Company).

I hereby record my presence at the FIFTY-FIRST ANNUAL GENERAL MEETING of the Company held at
Walchand Hirachand Hall, Lalji Naranji Memorial, Indian Merchants' Chamber Building, 76, Veer Nariman Road,
Churchgate, Mumbai-400 020 at 11.00 a.m. on Wednesday, 29th August, 2012.

Register Folio No. _____
Member's/Proxy's Signature (To be signed at the time of handing over this slip).

No. of Shares held _____

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the
practice of distribution of copies of the Report at the meeting has been discontinued.

ботоксу