

44th Annual Report

For the year ended 31st March 2016

BHAGAWATI OXYGEN LIMITED

Corporate Information

CIN: L74899HR1972PLC006203

Board of Directors:

Shri. S.K.Sharma (Chairman)
Shri. Himanshu Sharma (Managing Director)
Smt Jaya Sharma
Shri. J.C.Kaushik
Shri. B.B.Lal

Banks:

Allahabad Bank
Central Bank of India
ICICI Bank Ltd
State Bank of India
State Bank of Bikaner & Jaipur

Auditors:

Chaturvedi & Company
Chartered Accountants,
Kolkata

Listed at:

The Bombay Stock Exchange, Mumbai,
Phiroz Jeejeebhoy Tower,
Dalal Street, Kala Ghoda, Fort,
Mumbai-400 001

Registrars & Share Transfer Agent:

Skyline Financial Services (P) Ltd
D-153A, 1st Floor, Okhla Industrial Area, Phase-1
New Delhi - 110 020
Ph : +91-11-64732681 to 88 Fax : 011-26812683
Email : admin@skylinerta.com

Offices:

Registered Office : Plot-5, Sector-25, Ballabgarh, Haryana 121004.
Kolkata Office : 67, Park Street, Kolkata 700016.
Website : www.globalbol.com
Investor Contact Email : investor.relation.bol@gmail.com

BHAGAWATI OXYGEN LIMITED

**'S'-492A, GREATER KAILASH
NEW DELHI**

Blessings

A handwritten signature in black ink, consisting of several fluid, connected strokes, positioned below the word 'Blessings'.

NOTICE

TO THE MEMBERS

Notice is hereby given that the 44th Annual General Meeting of M/S BHAGAWATI OXYGEN LIMITED will be held on Saturday, 24th September 2016 at 11:00 AM at the Registered Office of the Company at Plot No. 5, Sector - 25, Ballabhgarh, Haryana-121004 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Statement of Profit & Loss Account for the year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Jaya Sharma (DIN-07135989) who retire by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT M/s Chaturvedi & Company, Chartered Accountants (Firm Registration No.-302137E), be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the forty-fifth Annual General Meeting of the Company on such remuneration as maybe determined by the Board of Directors in consultation with the said Auditor."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals as may be required, consent and approval of the Company be and is hereby accorded to the reappointment of Sri Suresh Kumar Sharma (00041150) as Chairman (Executive) (being Whole-time Director) of the Company, for a further period of 3 (three) years with effect from 1st January, 2016 on the terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed to the Notice, with authority and power to the Board of Director to alter, vary or modify the terms and conditions of the said re-appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **SPECIAL RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals as may be required, consent and approval of the Company be and is hereby accorded to the reappointment of Sri Himanshu Sharma (DIN: 00041181) as Managing Director of the Company, for a further period of 3 (three) years effect from 1st January, 2016, on the terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed to the Notice, with authority and power to the Board of Director to alter, vary or modify the terms and conditions of the said re-appointment and/or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

Registered Office:
Plot No-5, Sector-25, Ballabhgarh ,
Haryana-121004
Date :30.05.2016,
Place :Kolkata

By the Order of the Board
BHAGAWATI OXYGEN LIMITED
RITU DAMANI
COMPANY SECRETARY
ACS: 35435

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Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
A person can act a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2016 to 24th September 2016 (both days inclusive).
4. The instrument of transfer completed in all respect together with requisite enclosure, should be sent to the Company well in advance so as to reach the Company prior to closure of Register of Members.
5. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with National Securities Depository (India) Limited (NSDL) to facilitate remote e-voting. E voting is optional and members shall have the option to vote either through remote e-voting or in person at the general meeting.-
The instructions for members for remote e-voting are as under:-
 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):
 - i. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder Login.
 - iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the remote e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select the relevant "EVEN" (E-Voting Event Number) of BHAGAWATI OXYGEN LIMITED on which you chose to vote. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to shawmanoj2003@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com
 - xiv. You can also update your mobile number and e-mail id in the user profile detail of the folio which may be used for sending future communication(s).
 - xv. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on 17th September, 2016 may obtain user/login ID and password by sending a request at evoting@nsdl.co.in or admin@skylinerta.com.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user/login ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl at the following toll free no. 1800-222-990.
 - B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote
 - C. Other Instructions:
 - i. The remote e-voting period commences on Wednesday, 21st September, 2016 (10.00 a.m. IST) and ends on Friday, 23rd September, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 17th, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 17th, 2016.
 - iii. Mr. Manoj Prasad Shaw, Practicing Company Secretary (Membership No. FCS 5517), has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

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- iv. Facility for voting through polling paper shall be made available at the 44th Annual General Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the concerned meeting.
- v. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- vi. Members of the Company holding shares either in physical form or in dematerialized form, as on 17th September, 2016, may opt for remote e-voting or voting at the AGM through polling paper.
- vii. The Scrutinizer, after scrutinising the votes cast at the meeting (polling) and through remote e-voting, will not later than three days of conclusion of the meeting, makes a consolidated scrutinizer's report and submits the same to the Chairman of the meeting. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the company www.globalbol.com and on the website of evoting@nsdl.co.in. The result shall simultaneously be communicated to the Stock Exchange.
- viii. Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of meeting i.e. September 24th, 2016.
6. Members are requested to intimate to the Company change if any, in their registered address along with pin code and post office.
7. For any further information regarding accounts intimation may be given to the Company in writing at least 10 days in advance from the date of the aforesaid meeting so as to enable the management to keep the information ready.
8. Members attending the Annual General Meeting are requested to bring their copies of Annual Report.
9. Only registered members carrying the attendance slip and proxies registered with the Company will be permitted to attend the meeting.
10. Members who hold shares in the dematerialized form are requested to bring their Depository ID Number and Client ID numbers to facilitate easier identification of attendance at the Annual General Meeting.
11. Members are informed that the scrip of the Company are activated both on CDSL and NSDL and may be dematerialized under the ISIN No. INE026101010
12. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them. The prescribed form can be obtained/ submitted to Registrar & Share Transfer Agents of the Company.
13. In the light of the recent green initiative of the Government of India, those members who have not yet registered their email id's are requested to register their email id's with their depository participants in case of shares held in dematerialised form and those members holding shares in physical form to register their email id's with the R & T agent. We urge upon you to register the email id on priority and help the Company to support the nation in the green initiative.
14. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has NIL amount unpaid and unclaimed with the Company as on 18th September 2015 (date of last Annual General Meeting) and the company has declared the same with the Ministry of Corporate Affairs website.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company / R&T agent.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.4

Shri Suresh Kumar Sharma, who was appointed as a Chairman (Executive), (being the Whole Time Director) by the Members to hold office upto 31st December, 2015 will attain age of 70 years on 21st October, 2018 and hence continuation of his employment Whole Time Director requires approval of members by way of a Special Resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a Special Resolution.

Keeping in view that Sri Suresh Kumar Sharma has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the employment of Shri Suresh Kumar Sharma as Whole Time Director.

Pursuant to the recommendation of the Nomination and Compensation Committee, the Board of Directors of the Company passed a resolution on 14th November, 2015 approving re-appointment of Sri Suresh Kumar Sharma, as Chairman (Executive), (being the Whole Time Director) of the Company for a further period of 3 (three) years w.e.f 1st January, 2016. This is subject to the approval of the shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Shri Suresh Kumar Sharma and the terms and conditions of the re-appointment are given below:

- 1) **SALARY :** Rs. 70,000/- p.m. and subject to periodical increments as may be approved
By Remuneration Committee from time to time within the limits prescribed under Schedule V of the Companies Act 2013 or any statutory modification thereof.
- 2) **PERQUISITES:** In addition to the aforesaid Salary the following perquisites will be allowed which will be restricted to an amount so that the total of salary and perks shall not exceed Rs.24,00,000/- per annum.
 - i) Housing / House Rent Allowance :
 - (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Chairman (Executive) shall be subject to a ceiling of 60% of the salary.
 - (b) In case the accommodation is owned by the Company, 10% of the salary of the Chairman (Executive) shall be deducted by the Company.

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- (c) In case no accommodation is provided by the Company, the Chairman (Executive) shall be entitled to House Rent Allowance subject to a ceiling of 60% of the salary.
- (d) The expenditure which may be incurred by the Company on Gas, Electricity, Water, Furnishings, Repairs, and other expenses for maintaining in full the accommodation occupied by the Chairman (Executive) restricted to 30% of the annual salary.
- ii) Medical Reimbursement / Medical Insurance Policy/ P.A Policy :
Expenses incurred for the Chairman (Executive) and his family in accordance with the rules of the Company.
- iii) Leave Travel Concession :
For the Chairman (Executive) and his family to and fro to any place once in a year in accordance with the rules specified by the Company.
- iv) Club Fees :
Fees and subscription of maximum two clubs. This will not include admission and life membership fees.
- v) Company's contribution towards Provident Fund / Super Annuation Fund or Annuity Fund :
As per rules of the Company but to the extent these either singly or put together to the extent not taxable under the Income Tax Act, 1961
- vi) Gratuity :
In accordance with the provisions of the approved fund but shall not exceed half month's salary for each completed year of service.
- vii) Leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every completed year of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.
- viii) Use of Company's car with driver for business of the Company.
- ix) Telephone at residence for business of the Company.
- x) Reimbursement of all entertainment and traveling expenses actually incurred by the Chairman (Executive) for the business of the Company.
The items stated in v, vi, vii, viii, ix and x shall not be considered as perquisites.
- 3) In the event of loss or inadequacy of profits in any financial year during the aforesaid period the Company will pay the Chairman (Executive) the same remuneration as mentioned herein above.
- 4) The Board of Directors be and is hereby specifically authorized to alter and vary the terms and conditions of the aforesaid appointment including remuneration of Sri Suresh Kumar Sharma so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force or any amendment and/or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Sri Suresh Kumar Sharma.

GENERAL :

- 5) Sri Suresh Kumar Sharma agreed to devote his best attention to the business of the Company and to further safeguard the interest of the Company, including security of its trade secrets and the processes etc. and to make known and available exclusively to the Company any invention, discovery or design of theirs.
- 6) The Chairman (Executive) so long he functions as such shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.
- 7) The Chairman (Executive) shall not, so long as he functions as such become interested or otherwise concerned directly or through his wife/and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
- 8) Subject to the provision of the Companies Act 2013, the Chairman (Executive) shall in addition to the powers which may from time to time be assigned to him by the Board of Directors of the Company, have the following powers viz
 - a) To sign all documents including bonds, guarantees, mortgages, and other legal documents on behalf of the Company, provided that such bonds guarantees and mortgages relating to the fixed assets have been issued or created by necessary resolutions of the Board.
 - b) To take on lease, purchase or otherwise acquire for the Company any property, rights and privileges which the Company is authorized to acquire at such price and generally on such terms and conditions and as he thinks fit, and also to sell, exchange or otherwise dispose of absolutely or conditionally any part of the property on such terms and conditions and for such consideration as he may think fit.
 - c) To buy or procure the supply of plant, machinery, materials, stores, fuel implements and other movable property required for the purpose of the Company and engage or procure the supply of means of transport and labour requisite for carrying out the job.
 - d) To sell or dispose of goods and commodities manufactured, produced or dealt in by the Company and/ or its by products as the Board may authorize from time to time.
 - e) To enter into, carry on, rescind or vary all financial arrangements with the Company's business or affairs and pursuant to or in connection with such arrangement and subject to as aforesaid to deposit, pledge or hypothecate any property of the Company or documents representing or relating to the same with prior approval of the Board.
 - f) To compound and allow time for payment or satisfaction of any debt due to or by the Company and any claim or demands by or against the Company to arbitration and observe and perform the awards.
 - g) To appoint, remove or suspend agents, managers, secretary, officers, clerks and servants for permanent, temporary or any special services as he may from time to time think fit, and to determine their powers and duties and to fix their salaries to such amount as he think fit provided that appointment of the agents will require the sanction of the Board of Directors.

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- h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and for the purposes engage solicitors, Barristers, Advocates, etc., and also to compound and allow time for payment or satisfaction of any debts due and in any claims or demand by or against the Company.
- i) To refer any claims or demands by or against the Company to arbitration and conduct the same and implement awards, if any.
- j) To make and give receipts, release and other discharges for money payable to the Company.
- k) To enter into all such negotiations and contracts and rescind or vary all such contracts and execute and do all such acts, deeds and things and in the name and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- l) To act on behalf of Company bills, notes, receipts, acceptances, endorsements, cheques, released contracts and documents.
- m) To sign on behalf of Company in all matters relating to bankruptcy and insolvency.
- n) From time to time to provide for the management of the affair of the Company either in different parts of the Indian Republic or elsewhere in such manner as he thinks fit, and in particular to establish branch offices and to appoint any person to be the attorney or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may think fit. Provided that the establishment of the branch offices will require the sanction of the Board.
- o) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities not being shares in this Company and in such manner as he may think fit, and from time to time vary or realize such investments.
- p) To make and alter rules and regulations concerning the time and manner of repayment of the contribution of the employees of the Company respectively to provident fund or any such fund and the actual employment, suspensions and forfeit of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as he may from time to time think fit.
- q) To delegate all, or any powers hereby conferred upon him to any person as he may from time to time think fit including the employees of the Company.
- r) Provided nevertheless the above mentioned powers are delegated to the Chairman (Executive) during the period he continues to be the Chairman (Executive) of the Company and the Board may delete, amend or make additions to these presents wherever and whenever they consider necessary.
- 9) The terms and conditions of the said appointment and/or agreement may be altered or varied from time to time mutually by the Company and the Chairman (being Whole-Time Director) subject to the provisions of the Companies Act, 2013 or any amendment thereof and with the approval of the Shareholders and/or Central Government, whenever required.
- 10) This agreement shall be subject to approval of the Shareholders of the Company at a general meeting.
Except Shri Suresh Kumar Sharma, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

ITEM NO.5

Shri Himanshu Sharma was appointed as a Managing Director of the Company for a period of 5 (five) years from 1st January, 2011 to 31st December, 2015 which was approved at the 39th Annual General Meeting held on 30th September, 2011.

Keeping in view that Sri Himanshu Sharma has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the employment of Shri Himanshu Sharma as Managing Director.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 14th November, 2015 approving re-appointment of Sri Himanshu Sharma, as Managing Director of the Company for a further period of 3 (three) years w.e.f 1st January, 2016. This is subject to the approval of the Shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Shri Himanshu Sharma and the terms and conditions of the re-appointment are given below:

- 1) **SALARY :** Rs. 95,000/- p.m. and subject to periodical increments as may be approved
By Remuneration Committee from time to time within the limits prescribed under Schedule V of the Companies Act 2013 or any statutory modification thereof.
- 2) **PERQUISITES :** In addition to the aforesaid Salary the following perquisites will be allowed which will be restricted to an amount so that the total of salary and perks shall not exceed Rs.24,00,000/- per annum.
 - i) **Housing / House Rent Allowance:**
 - (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing Director shall be subject to a ceiling of 60% of the salary.
 - (b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - (c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to a ceiling of 60% of the salary.
 - (d) The expenditure which may be incurred by the Company on Gas, Electricity, Water, Furnishings, Repairs, and other expenses for maintaining in full the accommodation occupied by the Managing Director restricted to 30% of the annual salary.
 - ii) **Medical Reimbursement / Medical Insurance Policy/ P.A Policy :**
Expenses incurred for the Mg. Director and his family in accordance with the rules of the Company.

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- iii) Leave Travel Concession :
For the Managing Director and his family to and fro to any place once in a year in accordance with the rules specified by the Company.
 - iv) Club Fees :
Fees and subscription of maximum two clubs. This will not include admission and life membership fees.
 - v) Company's contribution towards Provident Fund / Super Annuation Fund or Annuity Fund :
As per rules of the Company but to the extent these either singly or put together to the extent not taxable under the Income Tax Act, 1961.
 - vi) Gratuity :
In accordance with the provisions of the approved fund but shall not exceed half month's salary for each completed year of service.
 - vii) Leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every completed year of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.
 - viii) Use of Company's car with driver for business of the Company.
 - ix) Telephone at residence for business of the Company.
 - x) Reimbursement of all entertainment and traveling expenses actually incurred by the Managing Director for the business of the Company.
The items stated in v, vi, vii, viii, ix and x shall not be considered as perquisites.
 - 3) In the event of loss or inadequacy of profits in any financial year during the aforesaid period the Company will pay the Managing Director the same remuneration as mentioned herein above.
 - 4) The Board of Directors be and is hereby specifically authorized to alter and vary the terms and conditions of the aforesaid appointment including remuneration of Sri Himanshu Sharma so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force or any amendment and/or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment thereto as may be agreed to between the Board and Sri Himanshu Sharma.
- GENERAL:**
- 5) Sri Himanshu Sharma agreed to devote his best attention to the business of the Company and to further safeguard the interest of the Company, including security of its trade secrets and the processes etc. and to make known and available exclusively to the Company any invention, discovery or design of theirs.
 - 6) The Managing Director so long he functions as such shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.
 - 7) The Managing Director shall not, so long as he functions as such become interested or otherwise concerned directly or through his wife/and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
 - 8) Subject to the provision of the Companies Act 2013 the Managing Director shall in addition to the powers which may from time to time be assigned to him by the Board of Directors of the Company, have the following powers viz
 - a) To sign all documents including bonds, guarantees, mortgages, and other legal documents on behalf of the Company, provided that such bonds guarantees and mortgages relating to the fixed assets have been issued or created by necessary resolutions of the Board.
 - b) To take on lease, purchase or otherwise acquire for the Company any property, rights and privileges which the Company is authorized to acquire at such price and generally on such terms and conditions and as he thinks fit, and also to sell, exchange or otherwise dispose of absolutely or conditionally any part of the property on such terms and conditions and for such consideration as he may think fit.
 - c) To buy or procure the supply of plant, machinery, materials, stores, fuel implements and other movable property required for the purpose of the Company and engage or procure the supply of means of transport and labour requisite for carrying out the job.
 - d) To sell or dispose of goods and commodities manufactured, produced or dealt in by the Company and/ or its by products as the Board may authorize from time to time.
 - e) To enter into, carry on, rescind or vary all financial arrangements with the Company's business or affairs and pursuant to or in connection with such arrangement and subject to as aforesaid to deposit, pledge or hypothecate any property of the Company or documents representing or relating to the same with prior approval of the Board.
 - f) To compound and allow time for payment or satisfaction of any debt due to or by the Company and any claim or demands by or against the Company to arbitration and observe and perform the awards.
 - g) To appoint, remove or suspend agents, managers, secretary, officers, clerks and servants for permanent, temporary or any special services as he may from time to time think fit, and to determine their powers and duties and to fix their salaries to such amount as he think fit provided that appointment of the agents will require the sanction of the Board of Directors.
 - h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and for the purposes engage solicitors, Barristers, Advocates, etc., and also to compound and allow time for payment or satisfaction of any debts due and in any claims or demand by or against the Company.
 - i) To refer any claims or demands by or against the Company to arbitration and conduct the same and implement awards, if any.
 - j) To make and give receipts, release and other discharges for money payable to the Company.

BHAGAWATI OXYGEN LIMITED

- k) To enter into all such negotiations and contracts and rescind or vary all such contracts and execute and do all such acts, deeds and things and in the name and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- l) To act on behalf of Company bills, notes, receipts, acceptances, endorsements, cheques, released contracts and documents.
- m) To sign on behalf of Company in all matters relating to bankruptcy and insolvency.
- n) From time to time to provide for the management of the affair of the Company either in different parts of the Indian Republic or elsewhere in such manner as he thinks fit, and in particular to establish branch offices and to appoint any person to be the attorney or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may think fit. Provided that the establishment of the branch offices will require the sanction of the Board.
- o) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities not being shares in this Company and in such manner as he may think fit, and from time to time vary or realize such investments.
- p) To make and alter rules and regulations concerning the time and manner of repayment of the contribution of the employees of the Company respectively to provident fund or any such fund and the actual employment, suspensions and forfeit of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as he may from time to time think fit.
- q) To delegate all, or any powers hereby conferred upon him to any person as he may from time to time think fit including the employees of the Company.
- r) Provided nevertheless the above mentioned powers are delegated to the Managing Director during the period he continues to be the Managing Director of the Company and the Board may delete, amend or make additions to these presents wherever and whenever they consider necessary.
- 9) The terms and conditions of the said appointment and/or agreement may be altered or varied from time to time mutually by the Company and the Managing Director subject to the provisions of the Companies Act, 2013 or any amendment thereof and with the approval of the Shareholders and/or Central Government, whenever required.
- 10) This agreement shall be subject to approval of the Shareholders of the Company at a general meeting.
Except Sri Himanshu Sharma, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

Registered Office:

Plot No-5, Sector-25, Ballabhgarh ,

Haryana-121004

Date :30.05.2016, Place :Kolkata

By the Order of the Board
BHAGAWATI OXYGEN LIMITED
RITU DAMANI
COMPANY SECRETARY
ACS: 35435

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 :

Name of the Director	Sri Suresh Kumar Sharma	Sri Himanshu Sharma	Smt Jaya Sharma
Date of Birth	21st October, 1948	28th October, 1971	21st March, 1974
Date of First Appointment	10th July, 1972	26th August, 1996	31st March, 2015
Qualifications	B.COM (HONS)	B. Engg	B.COM (HONS)
Professional Membership	NIL	NIL	NIL
Nature of his expertise in specific functional areas	More than 40 years of experience in the gases industry	More than 20 years of experience in the manufacturing industry	1 years of experience in the gases industry
Names of the listed entities in which he also holds Directorship of Boards	NIL	NIL	NIL
Name of the listed entities in which he also holds Membership of Committees of Boards	NIL	NIL	NIL
No of Shares held in the Company	85445	62800	63500

Note: Disclosure of relationship between Directors inter-se as required under Sub-regulation 3 of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Suresh Kumar Sharma, Whole-time Director is father of Sri Himanshu Sharma, Managing Director and father in law of Smt Jaya Sharma, Women Director.

BHAGAWATI OXYGEN LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 44th Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 2016

1. SUMMARY OF FINANCIAL RESULTS: (Rs./Lacs)

Particulars	2015-16	2014-15
Total revenue	1070.33	1241.27
PBDIT	115.93	156.47
Finance cost	2.82	2.39
Depreciation & amortization	23.40	22.90
PBT	89.71	131.18
Tax expense	22.43	29.13
PAT	67.29	102.05
Surplus- opening balance	862.04	760.31
Surplus- closing balance	929.33	862.04

2. OPERATION:

During the year under review the sales and other income of the Company amounted to Rs 1070.33 lacs compared to Rs. 1241.27 lacs in the previous year. After providing for financial charges, depreciation, current and deferred taxation and other adjustments, the Company reported profit after tax and extraordinary item of Rs. 67.29 Lacs

3. DIVIDEND

The Board considered it to be prudent to conserve the resources for the Company's growth and expansion and accordingly does not recommend payment of any dividend on the Equity shares for the financial year under review.

4. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

5. MANAGEMENT DISCUSSION & ANALYSIS:

Industry Structure and Development: Your Industry is primarily a "Gas Manufacturing Industry" supplying oxygen gas from Ghatsila plant on exclusive supply scheme basis. The Company is also making wind power and supplying to TNEB, Tamil Nadu.

Outlook Opportunities, Threats & Concerns, Environment health and Safety: The encouraging growth on both production and sales in last years is likely to be sustained in current year also. Outlook for the current year remains strong. The Company's operations are subject to risks which can impact business performance essentially with regard to prices of basic materials like molecular sieves, power. The management is seized of assessing such risks and takes measures to address the same.

The fundamental of the gas industry appears to be better and is growing fast because of the improvement in the steel sector. As our sales are tied up some strategies adopted by your Company are : (a)reducing cost of capital (b) transactional cost of production (c) reducing pollution levels (d) creation of

good infrastructure etc. Your Company has taken adequate steps to reduce the cost of production by continuously evaluating process improvements and best operational practices. Although the industrial gas industry is categorized as "Green Industry", your Company is committed to adhere to all applicable environment regulations and improve upon the environmental performance on a continued basis.

Human Resources Development: The Company appreciates that human assets constitute the driving force behind the Company's growth plans. The Company has, during the previous year, continued to have good industrial relations with its employees. Your Company would like to record the whole-hearted support and dedication received from the employees at all levels.

6. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the annual Listing Fees for the year 2015-2016 to BSE where the Company's shares are listed.

7. DEMATERIALIZATION OF SHARES:

38.88% of the Company's paid up Equity Shares Capital is in dematerialization from as on 31st March, 2016 and balance 61.12% is in physical form. The Company's Registrar's and Share Transfer Agents are M/s Skyline Financial Services Pvt Ltd having their office at D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi-110020.

8. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2015-16, 4 (four) meetings of the Board of Directors of the Company were held on 30th May 2015, 14th August 2015, 14th November 2015, and 6th February 2016.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of Shareholders, Sri Suresh Kumar Sharma (DIN: 00041150) was re-appointment as Chairman (Executive) (being the Whole Time Director) of the Company for a further period of 3 (three) years w.e.f 1st January, 2016.

Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of Shareholders, Sri Himanshu Sharma (DIN: 00041181) was re-appointment as Managing Director of the Company for a further period of 3 (three) years w.e.f 1st January, 2016.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Jaya Sharma (DIN-07135989), director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment.

The Independent Directors of the Company have given the certificate of independence to the Company stating that they meet the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

in the preparation of the annual accounts for the financial year ended 31 March 2016, the applicable accounting standards had been followed along with proper explanation relating to material

departures, if any;

the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2016 and of the profit of the Company for period from 1 April 2015 to 31 March 2016;

the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

the Directors had prepared the annual accounts for the financial year ended 31 March 2016 on a going concern basis;

the Director had laid down internal financial controls to be followed by the Company and that such internal financial Control are adequate and were operating effectively;

the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. NOMINATION AND REMUNERATION POLICY:

Pursuant to Section 178(3) and other applicable provisions of the Companies Act, 2013 of the Act the Company has put in place a Nomination and Remuneration Policy framed by the Nomination and Remuneration Committee of the Board for determining the qualifications, positive attributes and independence of the Directors, besides recommending a policy on remuneration of the Directors and Key managerial personnel.

12. AUDIT COMMITTEE:

The Audit Committee of the Board is comprised of Mr. Himanshu Sharma, Mr. Bipin Bihari Lal and Mr. Jagdish Chandra Kaushik, with Mr Himanshu Sharma as a executive Director/Managing Director and Mr. Bipin Bihari Lal and Mr. Jagdish Chandra Kaushik as Independent Directors. All the recommendations made by the Audit Committee were accepted by the Board.

During the Financial Year 2015-16, 4 (four) meetings of the Audit Committee of the Board of Directors were held on 30th May 2015, 14th August 2015, 14th November 2015 and 6th February 2016.

13. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Board are comprised of Mrs. Jaya Sharma, Mr. Bipin Bihari Lal and Mr. Jagdish Chandra Kaushik. Mrs Jaya Sharma as a non-executive Director and Mr. Bipin Bihari Lal and Mr. Jagdish Chandra Kaushik as Independent Directors.

During the Financial Year 2015-16, 2 (Two) meetings of the Nomination and Remuneration Committee of the Board of Directors were held on 30th May 2015 and 14th November 2015.

14. AUDITORS AND AUDITORS REPORT:

M/s. Chaturvedi & Company, Chartered Accountants (Firm Registration No. 302137E), Auditors of the Company hold office until the conclusion of the forthcoming Annual General

Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made at the forthcoming Annual General Meeting, would be as per the term provided under the Act and within the limits laid down by or under the authority of the Act. The notes on the financial statements referred to in the Auditor's Report are Self explanatory and requires no explanation.

15. SECRETARIAL AUDITOR:

The Board has appointed Mr Manoj Prasad Shaw, Practising Company Secretary (FCS 4194), to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure A to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

16. MATERIAL CHANGES OCCURRED AFTER END OF FINANCIAL YEAR:

No material changes and commitment which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

17. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under section 134 of the Companies Act, 2013, are provided in 'Annexure B' to this Report.

18. VIGIL MECHANISM:

In pursuant to Section 177(9) of the Act, 2013 and Rules made there under, the company has in place a policy on vigil mechanism for enabling the Directors and employees of the Company to report their genuine concerns, if any and also provides for adequate safeguards against victimization of persons using the mechanism.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

20. RISK MANAGEMENT POLICY:

With reference to the provisions of Section 134(3)(n) of the Companies Act, 2013, the Board of Directors has developed a risk management plan of the Company and had identified the key risk areas where the Company's business is vulnerable. The key risk areas are further categorized in the following:-

- (a) Strategic Risks,
- (b) Operational Risks and
- (c) Financial and Compliance related Risks.

All the strategic, operational and financial risks are duly analyzed and taken care of.

The Directors are aware of the requirement of the risk mitigation plan and are continuously making the necessary efforts to redress the impact of the adversities.

21. STATEMENT ON FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES:

Pursuant to the provisions of the Companies Act, 2013 ("the Act"), the Board carried out the performance evaluation of its

own and that of its Individual Directors through the Nomination and Remuneration Committee of the Board (the Committee"), duly constituted by the Board for the above purpose, amongst others, in terms of the Act.

During the year under review, the Committee made the performance evaluation as above, based on the following criteria, in line with the Nomination and Remuneration Policy:

- Attendance and participation in the meetings;
- Preparedness for the meetings;
- Understanding of the Company and the external environment in which it operates and
- constructive contribution to issues and active participation at meetings

The Committee found the Directors to be fulfilling the above criteria.

The Board also conducted the performance evaluation of its various Committees, based on references made to the Committees, in terms of the Act and found the performance to be satisfactory.

22. CONTRACT AND ARRANGEMENT WITH RELATED PARTIES:

The Audit Committee reviews all the Related Transactions, to ensure that the same are in line with the provisions of Law and Policy. The Committee approves the Related Party Transactions, none of the transactions approved in the financial year breached Arm's Length and ordinary course criteria.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note 26.18 to the financial statement which sets out related party disclosures.

23. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return, in format MGT-9, is attached as 'Annexure C'

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements

25. SHARE CAPITAL:

During the year under review, there was no change in Share Capital of the Company.

26. PARTICULARS OF EMPLOYEES:

The disclosure as required under Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is enclosed with this report as Annexure D. Your company has not paid any remuneration attracting the provisions of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Hence, no information is required to be appended to this report in this

regard.

27. CORPORATE WEBSITE:

The Company maintains a website www.globalbol.com where detailed information of the Company and its product are provided.

28. DISCLOSURES UNDER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014:

Financial summary or highlights: As detailed under the heading 'Summary of Financial Results'

Change in the nature of business, if any: None

Details of Directors or Key Managerial Personnel, who were appointed or resigned during the year:

Directors Re-appointed: Sri Suresh Kumar Sharma (DIN: 00041150) was re-appointment as Chairman (Executive) (being the Whole Time Director) of the Company for a further period of 3 (three) years w.e.f 1st January, 2016

Directors resigned : None

KMPs Re-appointed: Sri Himanshu Sharma (DIN: 00041181) was re-appointment as Managing Director of the Company for a further period of 3 (three) years w.e.f 1st January, 2016.

Names of Companies which have become or ceased to be Subsidiaries, Joint Venture Companies or Associate Companies during the year- NIL

Details relating to deposits: There were no fixed deposits from the public outstanding of the Company at the end of the financial year.

No fixed deposit has been accepted during the year and as such, there is no default in repayment of the said deposits.

There has not been any deposit, which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.

No significant and material orders have been passed by any regulator(s) or Court(s) or Tribunal(s) impacting the going concern's status and Companies operations in future.

Adequacy of Internal Financial Control: Your Company has an adequate system of internal control procedure as commensurate with the size and nature of business, which ensures that all assets are safeguarded and protected against loss and all transactions are recorded and reported correctly.

The internal control system of the Company is monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board for reference.

The scope of internal audit includes audit of Purchase Facilities, Sales Promotion Expenditure and Incentive Scheme, Debtors and Creditors policy, Inventory policy, VAT and Cenvat matters and others, which are also considered by the Statutory Auditors while conducting audit of the annual financial statements.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Your Directors have to report that, during the year under review,

BHAGAWATI OXYGEN LIMITED

neither any complaints of sexual harassment were received by it, nor were there any complaints relating thereto which required any disposal thereof.

30. CAUTIONARY STATEMENT:

This report Contains forward looking statements that involve risks and uncertainties. Actual results, performing or achievement could differ materially from those expressed or implied in such forward looking statements. Significant factors that could make a difference to the Company's operation include domestics and international economic conditions affecting demand-supply and price conditions, foreign exchange fluctuations changes in government regulations, tax regimes and other statutes.

31. ACKNOWLEDGEMENT:

The Board would like to express its sincere appreciation for the valuable support and co-operation received from various Central and State Government Authorities, Stock Exchanges, Financial Institutions and Banks during the year. They also gratefully acknowledge the support extended by the customers and shareholders and contribution made by the employees at all level.

For and on behalf of the Board of Directors

S K SHARMA

Place : Kolkata

Chairman

Date : 30th May 2016

(DIN: 00041150)

ANNEXURE-A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

To,

The Members,

M/s BHAGAWATI OXYGEN LIMITED

SECTOR 25, PLOT NO. 5

BALLABHGARH,

HARYANA-121004.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **BHAGAWATI OXYGEN LIMITED**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s **BHAGAWATI OXYGEN LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secre-

tarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31st, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **BHAGAWATI OXYGEN LIMITED** for the financial year ended on March 31st, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company are as follows :-

Gas Cylinders Rule, 2004

Static and Mobile Pressure Vessels(unfired) Rules, 1981

We have also examined compliance with the applicable clauses

of the following:

- (i) The company has complied with the applicable Clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the company has complied with the same to the extent possible.
- (ii) The company has complied with the Listing Agreements to the extent applicable and also complied with SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with the stock exchanges. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has accorded the consent of members to the Board of Directors for the following specific events/action having a major bearing on the company's affairs.

Alteration of clause 100 of Article of Association u/s 14 of the Companies Act, 2013 by substitution of new clause that the company in General Meeting or the directors may at any time appoint one or more directors as Managing Director or Whole Time director on such remuneration, terms and Condition as may be decided by them on such meeting. All directors including Whole time and Managing Director shall be liable to retire by rotation subject to provision of the Companies Act, 2013.

Place : Kolkata

Name of Firm : M/s. Manoj Shaw & Co.

Date : 30/05/2016

Proprietor : Manoj Prasad Shaw

FCS No. 5517

CP No. 4194

The report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

TO

THE MEMBERS

BHAGAWATI OXYGEN LIMITED

SECTOR 25, PLOT NO. 5

BALLABHGARH,

HARYANA-121004.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata

Name of Firm : M/s. Manoj Shaw & Co.

Date : 30/05/2016

Proprietor : Manoj Prasad Shaw

FCS No. 5517

CP No. 4194

ANNEXURE-B

Information on Conservation of Energy, Technology Absorbition, Foreign Exchange Earnings and Outgo required to be disclosed under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy

(a) Energy conservation steps taken:

+Energy conservation continues to receive priority attention at all levels.

+Factories have implemented measures to maintain power factor above 0.98 to reduce reactive power loss.

+Gradual replacement of high energy illumination by lower power consuming illumination in working area.

+Replacement of opaque sheets with translucent corrugated sheets to allow more natural light.

BHAGAWATI OXYGEN LIMITED

+Continuous effort to reuse/recycle ground water.

(b) Additional investment proposals, if any, being implemented for reduction of consumption of energy:

(c) Impact of measures of (a) & (b) for reduction of energy consumption and consequent impact on cost of production of goods:

+Reduction in specific power usage per unit of output to be realized in coming years.

(d) Energy conservation in respect of specified industries : NA

(B) Technology Absorption

Research & Development (R&D)

1. Efforts and areas in which R&D carried out :

+The Company is successfully doing improvement of product characteristics.

+Developing processes to improve product cost structure.

2. Benefits derived as a result of the above efforts :

+Improved manufacturing efficiency with reduced losses & costs.

+Improved quality and production meeting customer requirement.

3. Future Plan of Action :

+Increased focus on customized product deliverables aligning in line with strategic business partners.

+Improved process operation with reduced process wastage, debottlenecking of processes, equipment and quality issues.

4. Expenditure on R&D : charged under primary heads of accounts.

(C) Foreign Exchange Earnings and Outgo: (Rs./Lacs)

	2015-16	2014-15
Foreign exchange outgo	5.96	141.30
Foreign exchange earning	-	-

ANNEXURE- C

Form No. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2016

(Pursuant to section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i) CIN:	L74899HR1972PLC006203
ii) Registration Date:	10th July, 1972
iii) Name of the Company:	BHAGAWATI OXYGEN LIMITED
iv) Category / Sub-Category of the Company:	Listed Public Company Limited by Share Capital
v) Address of the Registered office and contact details :	Sector 25, Plot No.5, Ballabgarh, Haryana 121004
vi) Whether listed company :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Skyline Financial Services (P) Ltd D-153A, 1st Floor, Okhla Industrial Area, Phase-1 New Delhi - 110 020 Ph : +91-11-64732681 to 88 Fax:011-26812683 Email : admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Products / service	% to total turnover of the company
1.	INDUSTRIAL GASES - OXYGEN	2804	88.92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

BHAGAWATI OXYGEN LIMITED

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year								% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	605041	152810	757851	32.77	605041	232610	837651	36.22	3.45
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	100325	143300	243625	10.53	100325	63500	163825	7.08	3.45
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	705366	296110	1001476	43.30	705366	296110	1001476	43.30	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	705366	296110	1001476	43.30	705366	296110	1001476	43.30	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	300375	300375	12.99	-	300375	300375	12.99	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	10	-	10	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	10	300375	300385	12.99	300375	300385	12.99	-	-
2. Non- Institutions									
a) Bodies Corp.	1800	109751	111551	4.82	5635	109751	115386	4.99	0.17
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	172655	511366	684021	29.57	180096	498828	678924	29.35	0.22
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	208550	208550	9.02	-	208550	208550	9.02	0.00
c) Others	100	-	100	-	100	-	100	0.00	0.00
d) NRI	25	-	25	-	603	-	603	0.03	0.03
e) HUF	6859	-	6859	0.30	6045	-	6045	0.26	0.04
f) Clearing member House	2	-	2	-	1510	-	1510	0.07	0.07
Sub-total (B)(2):-	181441	829667	1011108	43.71	193989	817129	1011108	43.72	0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	181451	1130042	1311493	56.70	193989	1117504	1311493	56.70	-
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	886817	1426152	2312969	100	899355	1413614	2312969	100	-

BHAGAWATI OXYGEN LIMITED

(ii) Shareholding of Promoters.

	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged encumbered to total shares	% change in shareholding during the year
1	Baiwan Singh	75	0.00	0	75	0.00	0	0
2	Hari Prasad Purba	75	0.00	0	75	0.00	0	0
3	Shyam Mohan	75	0.00	0	75	0.00	0	0
4	Shachi Bhardwaj	150	0.01	0	150	0.01	0	0
5	Ashok Kumar Garg	1075	0.05	0	1075	0.05	0	0
6	B K Ratna Karan Karup	1150	0.05	0	1150	0.05	0	0
7	Mahesh Mittal	1150	0.05	0	1150	0.05	0	0
8	Sangita Behal	1500	0.06	0	1500	0.06	0	0
9	Kamakshi Bhardwaj	2000	0.09	0	2000	0.09	0	0
10	Padmaja Bhardwaj	2000	0.09	0	2000	0.09	0	0
11	Suresh Kumar Sharma	62645	2.71	0	85445	3.69	0	0.98
12	Chetan Kumar Chaturvedi	5125	0.22	0	5125	0.22	0	0
13	Rakesh Samrat Bhardwaj	7740	0.33	0	7740	0.33	0	0
14	Suresh Kumar Sharma and Tara Devi Sharma	8951	0.39	0	8951	0.39	0	0
15	Himanshu Sharma and Jaya Sharma	10000	0.43	0	10000	0.43	0	0
16	Tara Devi Sharma And Suresh Kumar Sharma	10000	0.43	0	10000	0.43	0	0
17	Kanta Devi Bhardwaj	14485	0.63	0	14485	0.63	0	0
18	T. N. Chaturvedi	16000	0.69	0	16000	0.69	0	0
19	Suresh Kumar Sharma And Sons HUF	37000	1.60	0	59000	2.55	0	0.95
20	Vivek Sharma	41500	1.79	0	41500	1.79	0	0
21	Himanshu Sharma	62800	2.72	0	62800	2.72	0	0
22	Deepthi Sharma	78900	3.41	0	78900	3.41	0	0
23	Ramrup Sharma And Sons HUF	53000	2.29	0	64000	2.77	0	0.48
24	Jaya Sharma	63500	2.75	0	63500	2.75	0	0
25	Tara Devi Sharma	103700	4.48	0	127700	5.52	0	1.04
26	Suresh Kumar Sharma & Himanshu Sharma	173255	7.49	0	173255	7.49	0	0
27	Trinitron Control System (P) Ltd	1500	0.06	0	1500	0.06	0	0
28	Indo Electric	2000	0.09	0	2000	0.09	0	0
29	Maharaja Sales Corpn (Om Prakash)	50000	2.16	0	50000	2.16	0	0
30	Bhagwati Steel Private Limited	100325	4.34	0	100325	4.34	0	0
31	Bhagwati Gases Ltd	89800	3.88	0	10000	0.43	0	(3.45)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning and of the year			Cumulative Shareholding during the year			
		No. of shares	% of total shares of the company	Date	Increase/decrease shareholding	Reason	No. of shares	% of total shares of the company
1.	Tara Devi Sharma	103700	4.48	01.04.2015	0	-	103700	4.48
				07.04.2015	24000	Transfer	127700	5.52
		127700	5.52	31.03.2016	0	-	127700	5.52
2.	Suresh Kumar Sharma.	62645	2.71	01.04.2015	0	-	62645	2.71
				07.04.2015	22800	Transfer	85445	3.69
		85445	3.69	31.03.2016	0	-	85445	3.69
3.	Ramrup Sharma and Sons HUF.	53000	2.29	01.04.2015	0	-	53000	2.29
				07.04.2015	11000	Transfer	64000	2.77
		64000	2.77	31.03.2016	0	-	64000	2.77
4.	Suresh Kumar Sharma and Sons HUF	37000	1.60	01.04.2015	0	-	37000	1.60
				07.04.2015	22000	Transfer	59000	2.55
		59000	2.55	31.03.2016	0	-	59000	2.55
5.	Bhagwati Gases Ltd	89800	3.88	01.04.2015	0	-	89800	3.88
				07.04.2015	79800	Transfer	10000	0.43
		10000	0.43	31.03.2016	0	-	10000	0.43

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and

No.		Shareholding at the beginning and of the year		Increase/decrease shareholding			Cumulative Shareholding during the year	
No.	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	Date	Increase/decrease shareholding	Reason	No. of shares	% of total shares of the company
1.	Bihar State Industrial Development	300000	12.97	01.04.2015	0	-	300000	12.97
						Nil Movement During The Year		
		300000	12.97	31.03.2016	0	-	300000	12.97
2.	Rakesh Samrat Bhardwaj	104275	4.51	01.04.2015	0	-	104275	4.51
				07.04.2015	104275	Transfer	0	0
		0	0	31.03.2016	0	-	0	0
3.	S.K. Steel Pvt. Ltd.	105000	4.54	01.04.2015	0	-	105000	4.54
						Nil Movement During The Year		
		105000	4.54	31.03.2016	0	-	105000	4.54
4.	Bhaskar Sharma	20855	0.9	01.04.2015	0	-	20855	0.9
				07.04.2015	20855	Transfer	41710	1.8
		41710	1.8	31.03.2016	0	-	41710	1.8
5.	Garima Sharma	20855	0.9	01.04.2015	0	-	20855	0.9
				07.04.2015	20855	Transfer	41710	1.8
		41710	1.8	31.03.2016	0	-	41710	1.8
6.	Rajeev Sharma	20855	0.9	01.04.2015	0	-	20855	0.9
				07.04.2015	20855	Transfer	41710	1.8
		41710	1.8	31.03.2016	0	-	41710	1.8
7.	Suman Sharma	20855	0.9	01.04.2015	0	-	20855	0.9
				07.04.2015	20855	Transfer	41710	1.8
		41710	1.8	31.03.2016	0	-	41710	1.8
8.	Neha Sharma	20855	0.9	01.04.2015	0	-	20855	0.9
				07.04.2015	20855	Transfer	41710	1.8
		41710	1.8	31.03.2016	0	-	41710	1.8
9.	Madhuben Dhirajlal Gandhi	10000	0.43	01.04.2015	0	-	10000	0.43
					0	Nil Movement During The Year		
		10000	0.43	31.03.2016	0	-	10000	0.43
10.	Pratik Rajendra Gandhi	10000	0.43	01.04.2015	0	-	10000	0.43
						Nil Movement During The Year		
		10000	0.43	31.03.2016	0	-	10000	0.43
11.	Vipul Rajendrabhai Gandhi	10000	0.43	01.04.2015	0	-	10000	0.43
						Nil Movement During The Year		
		10000	0.43	31.03.2016	0	-	10000	0.43
12.	Rajendra Dhirajlal Gandhi	10000	0.43	01.04.2015	0	-	10000	0.43
						Nil Movement During The Year		
		10000	0.43	31.03.2016	0	-	10000	0.43

BHAGAWATI OXYGEN LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.		Shareholding at the beginning and of the year					Cumulative Shareholding	
No.		No. of shares	% of total shares of the company	Date	Increase/decrease shareholding	Reason	No. of shares	% of total shares of the company
A.	Directors							
1.	Suresh Kumar Sharma	62645	2.71	01.04.2015	0	-	62645	2.71
				07.04.2015	22800	Transfer	85445	3.69
		85445	3.69	31.03.2016	0	-	85445	3.69
2.	Himanshu Sharma	62800	2.72	01.04.2015	0	-	62800	2.72
						Nil Movement During The Year	62800	2.72
		62800	2.72	31.03.2016	0	-	62800	2.72
3.	Jaya Sharma	63500	2.75	01.04.2015	0	-	63500	2.75
						Nil Movement During The Year		
		63500	2.75	31.03.2016	0	-	63500	2.75
4.	Bipin Bihari Lal	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016	0	-	0	0
5.	Jagdish Chandra Kaushik	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016	0	-	0	0
B.	Key Managerial Personnel							
1.	Sukanta Bhattacharjee	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016	0	-	0	0
2.	Ritu Damani	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016	0	-	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year:				
· Addition	25,31,068	0	0	25,31,068
· Reduction	2,64,510	0	0	2,64,510
Net Change	22,66,558	0	0	22,66,558
Indebtedness at the end of the financial year:				
i) Principal Amount	22,66,558	0	0	22,66,558
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	22,66,558	0	0	22,66,558

BHAGAWATI OXYGEN LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs.)
		Mr Himanshu Sharma, MD	Mr Suresh Kumar Sharma, WTD	
1	Gross salary (Rs):			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,40,000	8,40,000	19,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,60,501	3,18,928	5,79,429
	(c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission:			
	- as % of profit			
	- others, specify			
5	Others (LTA and Retirement benefits)			
	Total (A)	14,00,501	11,58,928	25,59,429
	Ceiling as per the Act	The remuneration is within limit prescribed under the Companies Act 2013		

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Mrs Jaya Sharma	Mr. Jagdish Chandra Kaushik	Mr Bipin Bihari Lal	
1	Independent Directors				
	- Fee for attending board committee meetings		10,000	10,000	20,000
	- Commission				
	- Others, please specify				
	Total (1)		10,000	10,000	20,000
2	Other Non-Executive Directors				
	- Fee for attending board committee meetings	10,000			10,000
	- Commission				
	- Others, please specify				
	Total (2)	10,000			10,000
	Total (B) – (1 + 2)	10,000	10,000	10,000	30,000
	Total Managerial Remuneration				30,000
	Ceiling as per the Act	The remuneration is within limit prescribed under the Companies Act 2013			

B. Remuneration to other directors:

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	(Key Managerial Personnel)			Total Amount (Rs.)
		CEO	CFO	Company Secretary	
1	Name		Mr Sukanta Bhattacharjee	Miss Ritu Damani	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	NOT APPLICABLE	2,65,282	2,40,000	5,05,282
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission:		-	-	-
	- as % of profit		-	-	-
	- others, specify...		-	-	-
5	Others, please specify		-	-	-
	Total		2,65,282	2,40,000	5,05,282

BHAGAWATI OXYGEN LIMITED

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any, (give details)
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A. COMPANY

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

B. DIRECTORS

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

C. OTHER OFFICERS IN DEFAULT

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2015-16 (Rs.)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Himanshu Sharma, MD	14,00,501	0.20	13.33
2	Mr. Suresh Kumar Sharma, WTD	11,58,928	2.60	11.03
3	Mr. Sukanta Bhattacharjee, CFO	2,65,282	3.93	2.52
4	Ms. Ritu Damani, CS	2,40,000	20.00	2.28

Note: No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2015-16.

ii) In the financial year, there was an increase of 18.48% in the median remuneration of employees.

iii) There were 36 permanent employees on the rolls of Company as on March 31, 2016.

iv) The average increase in the remuneration of management employees in the last financial year was 7.34%. In order to ensure that remuneration reflects Company's performance, the remuneration of some employees is also linked to organizational performance apart from an individual performance.

v) The remuneration of the Key Managerial Personnel put together is Rs.30,64,711.00 which increased by 2.75% from Rs. 29,82,401.00 as against a decrease of 34% in profit before tax in the financial year 2015-2016.

vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 11.75% whereas the increase in the managerial remuneration for the same financial year was 7.34%.

vii) The market capitalization of the Company as on 31st March, 2016 increased by 36.24%, when compared to that of 31st March, 2015.

Place : Kolkata
Date : 30th May, 2016

2015. The Company has not made any public offer in the recent past and accordingly comparison of public offer price and the current market price of the Company's shares will not be relevant.

viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.

ix) The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.

x) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2016 is as per the Remuneration Policy of the Company.

For and on behalf of the Board
S K Sharma
Chairman
(DIN:00041150)

Independent Auditor's Report

To
The Members of
Bhagawati Oxygen Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Bhagawati Oxygen Limited** (hereinafter referred to as 'the Company'), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in the paragraph 3 and 4 of the said order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and 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 and loss and the cash flow statement dealt with by this report are in agreement with the books of accounts.
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

BHAGAWATI OXYGEN LIMITED

- e) On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in **Annexure-'B'** and
- g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 26.11 to the financial statements);
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For CHATURVEDI & CO.
Chartered Accountants
Firm Regn. No.302137E

S.C.Chaturvedi
Partner
Membership No.12705

Place: Kolkata
Dated: May 30, 2016

Annexure-'A' to the Independent Auditor's Report (Referred to in Paragraph 1 of "Other Legal and Regulatory requirements" of our Audit Report)

- (i) In respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No serious discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the company.
- (ii) In respect of Inventories:
 - (a) As explained to us, the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and nature of its business.
 - (b) In our opinion and according to the information and explanations given to us, the procedures and frequency of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 as such provisions of paragraph 3(iii) of the said order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the company in respect of the aforesaid deposits
- (vi) Based on the information available and explanations given to us, the maintenance of Cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for any of the products manufactured by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing the undisputed statutory dues including Provident fund, Income

BHAGAWATI OXYGEN LIMITED

Tax, Wealth Tax, Service Tax, Duty of customs, Duty of excise, Value added Tax, Cess and any other statutory dues as applicable with the appropriate authorities. There were no un-disputed statutory dues as at the end of the year outstanding for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and as per the records of the Company examined by us, the particulars of dues of Sale tax and Income tax, which have not been deposited on account of any dispute as at 31st March 2016 are given below:

Sl. No.	Name of the Statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where pending
1	West Bengal VAT Act & CST Act	VAT & CST	15,18,996/-	2006-2007	WB Commercial Tax Appellate and Revisional Board
2	Income Tax Act	Income Tax	3,97,860/-	2010-2011	DCIT (Appeal), Circle 8(1), Kolkata
			3,05,320/-	2012-2013	DCIT, Kolkata
			15,950/-	2007-2008	DCIT, Kolkata

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks. The company has not issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as such provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as such provisions of paragraph 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CHATURVEDI & CO.
Chartered Accountants
Firm Regn. No.302137E

Place: Kolkata
Dated: May 30, 2016

S.C.Chaturvedi
Partner
Membership No.12705

Annexure-'B' to the Independent Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Bhagawati Oxygen Limited (hereinafter referred to as 'the Company') as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us, and based on our audit, in our opinion, the Company has generally maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were generally operating effectively as of 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For CHATURVEDI & CO.
Chartered Accountants
Firm Regn. No.302137E

S.C.Chaturvedi
Partner
Membership No.12705

Place: Kolkata
Dated: May 30, 2016

BHAGAWATI OXYGEN LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

		(Figures in INR)	
PARTICULARS	NOTE	AS AT	AS AT
	No.	31ST MARCH 2016	31ST MARCH 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	1	23,129,690	23,129,690
(b) Reserves and Surplus	2	94,493,259	87,764,627
(2) Non-current liabilities			
(a) Long term borrowings	3	2,266,558	—
(b) Deferred tax liabilities (net)	4	3,945,342	4,346,417
(4) Current liabilities			
(a) Short term borrowings	5	5,222,350	3,316,120
(b) Trade payables	6	16,370,834	20,865,093
(c) Other current liabilities	7	4,527,473	4,211,585
(d) Short term provisions	8	2,279,493	3,249,110
TOTAL		152,234,999	146,882,642
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	9	21,286,116	21,188,444
Capital Work in Progress		3,485,493	—
(b) Non-current investments	10	22,252,044	24,414,460
(c) Long term loans and advances	11	6,029,588	5,964,960
(d) Other non-current assets	12	434,514	—
(2) Current assets			
(a) Inventories	13	4,107,247	12,536,031
(b) Trade receivables	14	28,410,454	35,684,824
(c) Cash and cash equivalents	15	41,779,542	41,218,917
(d) Short term loans and advances	16	24,450,001	5,875,006
(e) Other current assets		—	—
TOTAL		152,234,999	146,882,642

Significant Accounting Policies and Additional Information 26

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Chaturvedi and Company**
Chartered Accountants
Firm Regn No. 302137E

S C Chaturvedi
Partner
(Membership No. - 12705)

Place : Kolkata
Date : 30th May 2016

For and on behalf of the Board of Directors

Suresh Kr Sharma
Chairman
(DIN : 00041150)

Himanshu Sharma
Managing Director
(DIN : 00041181)

Sukanta Bhattacharjee
Chief Finance Officer

Ritu Damani
Company Secretary

BHAGAWATI OXYGEN LIMITED

STATEMENT OF PROFIT AND LOSS FOR LOSS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	NOTE No.	(Figures in INR)	
		For the year ended 31ST MARCH 2016	For the year ended 31ST MARCH 2015
I Revenue from operations (Gross)	17	112,680,917	127,870,747
Less : Excise Duty		<u>10,456,506</u>	<u>10,912,239</u>
Revenue from operations (Net)		102,224,411	116,958,508
II Other Income	18	<u>4,809,517</u>	<u>7,168,140</u>
III Total Revenue (I+II)		<u>107,033,928</u>	<u>124,126,648</u>
IV Expenses			
Cost of materials consumed	19	47,152,557	53,773,698
Purchases of stock in trade	20	6,051,519	31,651,264
Change in inventories of finished goods and work in progress & stock in trade	21	8,428,784	(9,490,588)
Manufacturing expenses	22	15,140,893	14,170,446
Employee benefits expenses	23	5,883,540	5,157,034
Finance cost	24	282,165	238,910
Depreciation & amortization expenses		2,340,534	2,290,893
Other and administrative expenses	25	<u>12,782,647</u>	<u>13,217,262</u>
Total Expenses		<u>98,062,639</u>	<u>111,008,919</u>
V Profit before Exceptional item & Extraordinary item and tax (III-IV)		8,971,289	13,117,729
VI Exceptional item & Extraordinary item		-	-
VII Profit before tax (V+VI)		<u>8,971,289</u>	<u>13,117,729</u>
VIII Less : Tax expenses			
1) Current tax		2,643,734	3,352,000
2) Deferred tax		<u>(401,075)</u>	<u>(439,009)</u>
IX Profit for the year (VII-VIII)		<u>6,728,630</u>	<u>10,204,738</u>
X Earnings per share (of Rs.10/- each)			
(a) Basic		2.91	4.41
(b) Diluted		2.91	4.41

Significant Accounting Policies and Additional Information 26

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Chaturvedi and Company**
Chartered Accountants
Firm Regn No. 302137E

Suresh Kr Sharma
Chairman
(DIN : 00041150)

S C Chaturvedi
Partner
(Membership No. - 12705)

Himanshu Sharma
Managing Director
(DIN : 00041181)

Place : Kolkata
Date : 30th May 2016

Sukanta Bhattacharjee
Chief Finance Officer

Ritu Damani
Company Secretary

BHAGAWATI OXYGEN LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	AS AT 31ST MARCH 2016	(Figures in INR) AS AT 31ST MARCH 2015
A. Cash flow from operating activities :		
Net Profit before Tax and extraordinary item	8,971,291	13,117,729
Add: Depreciation	2,340,534	2,290,893
Interest charged	282,165	238,910
Bad & Doudtful Debt Written Off	-	334,212
Hire Charges	98,086	24,307
Less: Interest/Dividend Income	(4,165,269)	(4,399,831)
Liabilities written-off	-	(21,429)
Profit on sale of fixed assets	(105,094)	(18,055)
Profit on Sale of Tata Floater Fund- Growth	(498,736)	(549,261)
Operating Profit before working capital changes	6,922,977	11,017,475
Adjustments for :-		
Inventories	8,428,784	(9,490,589)
Trade & other Receivables	7,274,370	(11,488,873)
Short term Loans & Advances	(18,574,995)	-
Short term Borrowings	1,906,230	-
Trade Payables & other Liabilities	(4,494,259)	9,781,562
Other Current Liabilities	315,888	-
Short Term Provision for Employee Benefit	135,382	-
Change in TDS Receivable	(332,923)	-
Cash generated from operations	1,581,454	(180,425)
Tax paid & adjusted	(3,415,810)	(2,831,832)
Cash-Flow before Extra Ordinary Items	(1,834,356)	(3,012,257)
Net cash from Operating Activities (A)	(1,834,356)	(3,012,257)
B. Cash Flow from Investing Activities:		
Long term Loan & Advances Given	(64,628)	-
Investment in Capital Work in Progress	(3,485,493)	-
Purchase of Fixed Assets	(2,503,112)	(237,572)
Sale of fixed assets	170,000	35,000
Other Investment made	3,500,001	800,000
Interest/ Dividend received	3,326,420	3,520,907
Net cash used in Investing Activities: (B)	943,188	4,118,335
C. Cash Flow from Financing Activities:		
Finance Cost (Interest Paid)	(380,251)	(238,910)
Borrowings from Bank	1,832,044	3,316,120
Earnest Money Deposit	-	(248,460)
Security Deposit	-	(1,360,640)
Net cash used in Financing Activities (C)	1,451,793	1,468,110
Net (Decrease)/Increase in Cash & Cash equivalents (A+B+C)	560,625	2,574,188
Cash & Cash equivalents at start of the year	41,218,917	38,644,729
Cash & Cash equivalents at close of the year	41,779,542	41,218,917

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Chaturvedi and Company**
Chartered Accountants
Firm Regn No. 302137E

S C Chaturvedi
Partner
(Membership No. - 12705)

Place : Kolkata
Date : 30th May 2016

For and on behalf of the Board of Directors

Suresh Kr Sharma
Chairman
(DIN : 00041150)

Himanshu Sharma
Managing Director
(DIN : 00041181)

Sukanta Bhattacharjee
Chief Finance Officer

Ritu Damani
Company Secretary

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Figures in INR)

		AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
PARTICULARS			
1 Share Capital			
1.1 AUTHORISED			
40,00,000 (P.Y 40,00,000) Equity Shares of Rs.10/- each		40,000,000	40,000,000
		<u>40,000,000</u>	<u>40,000,000</u>
1.2 ISSUED SUBSCRIBED AND FULLY PAID UP			
23,12,969 (P.Y 23,12,969) Equity Shares of Rs.10/- each		23,129,690	23,129,690
		<u>23,129,690</u>	<u>23,129,690</u>
1.3 Reconciliation of Number of Shares			
Shares outstanding as at the beginning of the year		23,129,690	23,129,690
Add: Shares issued/ bought back			
Shares outstanding as at end of the year		23,129,690	23,129,690
1.4 List of shareholders holding more than 5% of the total number of shares issued by the Company :			
Name of share holder			
Bihar State Industrial Development	300,000 (12.97%)		300,000 (12.97%)
Suresh Kumar Sharma jtly Himanshu Sharma	173,255 (7.49%)		173,255 (7.49%)
1.5 Rights, Preferences and Restrictions attached to Equity Shares			
The Company has issued only one class of equity shares having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share. In the event the Board of Directors of the Company proposes any dividend, it will be subject to the approval of the shareholders at the Annual General Meeting.			
In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the shareholders.			
2 RESERVE AND SURPLUS			
2.1 Capital Reserves (A)	1,500,000		1,500,000
2.2 Revaluation Reserve (B)			
Opening Balance	--		25,802
Less : Depreciation adjustment	--		<u>25,802</u>
Closing Balance	--		--
2.3 Investment Allowance Reserve (C)	59,929		59,929
2.4 General Reserve (D)	--		--
2.5 Surplus in Statement of Profit and Loss (E)			
Opening Balance at the beginning of the year	86,204,700		76,030,957
Add : Profit for the year	6,728,630		10,204,738
Less : Depreciation adjustment*	--		<u>30,997</u>
Closing Balance	<u>92,933,330</u>		<u>86,204,698</u>
Total (A + B + C + D + E)	<u><u>94,493,259</u></u>		<u><u>87,764,627</u></u>

* Pursuant to the enactment of the Companies Act, 2013 the company has applied the estimated useful life as specified in Schedule- II. Accordingly the carrying value is being depreciated over the revised remaining useful life. The written down value of fixed assets whose lives have expired as at 1st April 2014 have been adjusted in the opening balance of Profit & Loss A/c amounting to Rs.30,997/-.

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Figures in INR)

		AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
PARTICULARS			
3 LONG TERM BORROWINGS			
3.1 Secured term loan from banks (Car Loan)		2,266,558	-
Car loan is taken from HDFC Bank Ltd with repayment schedule of 60 installment starting from 5/7/15 with rate of interest 10.03%		2,266,558	-
Total			
4 DEFERRED TAX LIABILITIES (NET)			
Deferred tax liability (net) included in the balance sheet comprises of the difference between book & tax depreciation :			
Opening Balance		4,346,417	4,785,426
Difference between book and tax depreciation current year		(401,075)	(439,009)
Closing Balance Net Deferred Tax Liabilities		3,945,342	4,346,417
5 SHORT TERM BORROWINGS			
Secured - Overdraft facilities from banks under lien of TDR		5,222,350	3,316,120
Total		5,222,350	3,316,120
6 TRADE PAYABLES			
Sundry Creditors			
(i) Due to MSMEs *		-	-
(i) Due to others		16,370,834	20,865,093
Total		16,370,834	20,865,093
* Based on the information available with the management, there no dues outstanding to the parties covered under the Micro, Small and Medium Enterprises that required to be disclosed under the MSMED Act, 2006			
7 OTHER CURRENT LIABILITIES			
(i) Statutory liabilities		172,839	101,515
(ii) Others		4,354,634	4,110,070
Total		4,527,473	4,211,585
8 SHORT TERM PROVISIONS			
Provision for employee benefits			
(i) Salary		309,642	261,747
(ii) Leave encashment		225,439	180,634
(iii) Medical allowance		270,409	247,757
(iv) Provident fund		98,141	78,111
Provision for Taxation (Income Tax)		1,375,862	2,480,861
(net of advance tax & ITDS Rs.16,096,029 (P.Y. Rs.12,347,296)			
Total		2,279,493	3,249,110

BHAGAWATI OXYGEN LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

9: FIXED ASSETS

Figures in INR

ITEM	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As at 01-04-15	Additions	Dedn/Adj	As at 31-03-16	As at 01-04-15	For the year	Sale/Adj	Adjustment	Total	As at 31-03-16	As at 31-03-15
Tangible Assets											
Land & Site Development	202,240	124,975	-	327,215	-	-	-	-	-	327,215	202,240
Non-Factory Building	1,129,069	-	-	1,129,069	750,873	43,834	-	-	794,707	334,362	378,196
Factory Building	4,922,049	-	-	4,922,049	4,398,697	41,008	-	-	4,439,705	482,344	523,352
Plant & Machinery	79,530,410	-	-	79,530,410	76,012,747	62,837	-	-	76,075,584	3,454,826	3,517,663
Wind Mill	39,083,390	-	-	39,083,390	27,275,537	1,479,532	-	-	28,755,069	10,328,321	11,807,853
Furniture & Fixture	497,007	-	-	497,007	472,157	-	-	-	472,157	24,850	24,850
Office equipments	723,062	20,000	-	743,062	534,050	50,561	-	-	584,611	158,451	189,012
Computer	1,071,578	47,785	-	1,119,363	889,809	69,251	-	-	959,060	160,303	181,769
Vehicle	1,670,857	2,310,352	754,427	3,226,782	1,290,613	219,505	(689,521)	-	820,597	2,406,185	380,244
Cylinder	561,247	-	-	561,247	551,705	315	-	-	552,020	9,227	9,542
Truck & Tanker	1,929,182	-	-	1,929,182	1,917,420	-	-	-	1,917,420	11,762	11,762
VIEs & associated	9,433,729	-	-	9,433,729	5,471,768	373,691	-	-	5,845,459	3,588,270	3,961,961
LOX process equipment	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets											
Total	140,753,820	2,503,112	754,427	142,502,505	119,565,376	2,340,534	(689,521)	-	121,216,389	21,286,116	21,188,444
Capital Work in Progress	-	3,485,493	-	3,485,493	-	-	-	-	-	3,485,493	-
Previous Year	140,730,611	237,572	214,363	140,753,820	117,415,102	2,316,695	(197,418)	30,997	119,565,376	21,188,444	23,315,509

BHAGAWATI OXYGEN LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016
(Figures in INR)

<u>PARTICULARS</u>	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
10. NON-CURRENT INVESTMENTS		
(Valued at Cost)		
10.1 Non-Trade Investments		
<u>Investment in Equity Instruments (Quoted)</u>		
90000 Equity Shares of Rs. 10.00 (P.Y. 90000 equity of Rs. 10.00 each of Bhagwati Gases Ltd	135,000	135,000
925 (P.Y. 925) Units of Rs.3004.26 each of Goldman Sachs GOLD BEES	2,778,938	2,778,938
400 (P.Y. 400) Units of Rs.3096.83 each of SBI GOLD GETS	1,238,732	1,238,732
<u>Investment in Mutual Funds (Quoted)</u>		
118853.913 units of Rs. 22.18 each (P.Y. 103020.307 units of Rs. 21.90 each) DSP Blackrock Balanced Fund- Dividend	2,636,163	2,256,393
107026.103 units of Rs. 27.15 each (P.Y. 96500.510 units of Rs. 27.35 each) HDFC Prudence Fund- Dividend	2,905,170	2,639,737
60201.419 units of Rs. 42.94 each (P.Y. 55327.148 units of Rs. 43.22 each) HDFC Top 200 Fund- Dividend	2,584,822	2,391,177
104680.139 units of Rs. 13.79 each (P.Y. 104680.139 units of Rs. 13.79 each) Reliance Gold Savings Fund-Growth	1,443,979	1,443,979
247.950 units of Rs. 2134.46 each (P.Y. 1786.662 units of Rs. 1976.03 each) Tata Floater Fund- Growth	529,240	3,530,505
<u>Investment in Partnership Firm (unquoted) Anchor Enterprise</u>	8,000,000	8,000,000
Total	22,252,044	24,279,460
Aggregate cost of quoted investments - equity	4,152,670	4,152,670
Aggregate market value of quoted investments - equity	3,655,644	3,291,825
Aggregate cost of quoted investments - mutual fund	10,099,374	12,261,790
Net Asset Value	9,965,762	12,737,199
Aggregate cost of unquoted investments	8,000,000	8,000,000
11 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Earnest Money Deposit	684,416	637,788
Security Deposit with related parties (Refer Note No.26.18)	2,400,000	2,400,000
Security Deposit with others	945,172	927,172
Other advances	2,000,000	2,000,000
Total	6,029,588	5,964,960

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Figures in INR)

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
12 OTHER NON CURRENT ASSETS		
Unexpired interest - car loan	434,514	-
Total	434,514	-
13 INVENTORIES (Refer Note No. 26.3)		
(as valued & certified by the management)		
Stock-in-trade	2,962,500	9,701,041
Others (Cylinders)	1,144,747	2,834,990
Total	4,107,247	12,536,031
14 TRADE RECEIVABLES		
*Outstanding for a period exceeding six months from the date they are due for payment	4,034,056	3,560,593
Others	24,376,398	32,124,231
Total	28,410,454	35,684,824
15 CASH AND CASH EQUIVALENTS		
(a) Cash on hand		
(b) Bank Balance	100,581	39,555
(i) Current accounts		
(ii) Term Deposit Accounts*	223,674	343,121
(c) Other Bank Balance	41,210,287	40,456,241
(i) Term Deposit Accounts*		
(with maturity of more than 12 months)	245,000	380,000
Total	41,779,542	41,218,917
*Term deposits includes Rs. 31568712/- (PY: Rs.12866383/-) are held as margin money against various borrowings and guarantees given by banks		
16 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(i) Advances recoverable in cash or in kind or for value to be received	21,265,459	3,811,954
(ii) Advances due from Related parties	1,840,629	848,176
(ii) Balance with Central Excise Authorities	1,343,913	1,214,876
Total	24,450,001	5,875,006

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Figures in INR)

PARTICULARS	For the year ended 31ST MARCH 2016	For the year ended 31ST MARCH 2015
17 REVENUE FROM OPERATIONS		
Manufactured goods		
Industrial Gases - oxygen	94,108,513	99,114,300
Power - wind	2,425,390	3,157,534
Total - Sale of manufactured goods	96,533,903	102,271,834
Traded goods		
Industrial Gases - oxygen	6,082,757	4,295,696
Specialty Gases & Cylinders	10,064,257	21,303,217
Total - Sale of traded goods	16,147,014	25,598,913
Total	112,680,917	127,870,747
18 OTHER INCOME		
Interest from fixed deposits with banks (ITDS Rs.332923/-, P.Y. Rs.381743/-)	3,326,420	3,520,907
Miscellaneous Income	35,227	2,141,764
Dividend	838,849	878,924
Cylinder Hire Charges	—	37,800
Profit on Sale of Fixed Assets	105,094	18,055
Profit on Sale of Tata Floater Fund- Growth	498,736	549,261
Liabilities no longer required written back	5,191	21,429
Total	4,809,517	7,168,140
19 COST OF MATERIALS CONSUMED		
Industrial Gases - oxygen	47,152,557	53,773,698
Total	47,152,557	53,773,698
20 PURCHASE OF TRADED GOODS		
Industrial Gases - oxygen	5,660,426	4,142,560
Specialty Gases & Cylinders	391,093	27,508,704
Total	6,051,519	31,651,264
21 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock		
Finished goods	12,536,031	3,045,443
	12,536,031	3,045,443
Closing Stock		
Finished goods	4,107,247	12,536,031
	4,107,247	12,536,031
(Increase)/ Decrease in inventories of finished goods and work in progress and stock in trade -	8,428,784	(9,490,588)

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Figures in INR)

PARTICULARS	For the year ended 31ST MARCH 2016	For the year ended 31ST MARCH 2015
22 MANUFACTURING AND OPERATING EXPENSES		
Stores & Spares consumed	3,526,031	3,465,463
Power & Fuel	7,625,908	8,200,621
Repair & Maintenance to:		
Buildings	408,688	94,996
Plant and Machinery	3,438,710	2,153,475
Others	141,556	255,891
Total	15,140,893	14,170,446
23 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Gratuity and Bonus	4,243,234	3,892,523
Contribution to Provident and other Funds	326,366	243,602
Workman and staff welfare expenses	1,313,940	1,020,909
Total	5,883,540	5,157,034
The Company has classified the various benefits provided to the employees as under :		
(a) Defined Contribution Schemes : Contribution to Provident Fund, Pension Fund are covered under defined contribution plans and amount of Rs. 326366/- (PY: Rs.243602/-) contributed to those funds during the year have been recognized as expenses in the financial statements.		
(b) Defined Benefit Schemes : The gratuity fund of employees is managed by trustees by way of taking a policy in Life Insurance Corporation of India and the present value of the obligation is determined based on the actuarial valuation done by LIC. The component of net benefit expenses recognized in the statement of Profit & Loss during the year is given as under :		
Present value of past service benefit	1,309,812	1,207,644
Add: Current service cost	124,004	115,920
	1,433,816	1,323,564
Less: Fund value as on renewal date (net of settlements & inclusive of interest)	1,410,796	1,233,258
	23,020	90,306
Additional contribution for existing fund	-	-
Add: Current service cost	23,020	90,306
	23,020	90,306
Life coverage premium	10,225	9,364
Add: Service Tax on life coverage premium	1,432	1,158
Add: Interest	-	-
Total liability at the end of the year towards gratuity	34,677	100,828
Total value of service gratuity including life coverage on sum assured	3,120,142	2,691,838
Actuarial Assumptions:		
Mortality rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Withdrawal rate	1% to 3%	1% to 3%
	depending on age	depending on age
Discount rate	8% p.a	8% p.a
Salary escalation	6.10%	6.05%
24 FINANCE COST		
Interest on term loan	282,165	238,910
Interest paid on others	-	-
Total	282,165	238,910

BHAGAWATI OXYGEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016***(Figures in INR)*

<u>PARTICULARS</u>	For the year ended 31ST MARCH 2016	For the year ended 31ST MARCH 2015
25 OTHER AND ADMINISTRATIVE EXPENSES		
Rent	1,638,284	1,574,428
Rates, Taxes & Licence Fee	243,555	78,484
Bank charges and commission	67,519	134,799
Travelling and Conveyance	1,520,298	1,140,689
Directors' Remuneration	1,980,000	1,980,000
Directors' Sitting Fee	34,115	30,899
Auditors' Remuneration :		
(i) Statutory Audit	65,325	63,500
(ii) Limited Review Report	10,013	10,000
(iii) Certification	22,253	6,000
(iv) Tax Audit	12,500	12,500
Miscellaneous Expenses	2,365,893	3,275,675
Communication Expenses	302,250	409,670
Legal and Professional Expenses	1,163,845	701,741
Advertisement Expenses	197,642	231,931
Charity and Donation	753,770	214,826
Insurance Charges	536,468	522,966
Vehicle Running & Maintenance	546,831	577,441
Contribution to Scientific Research Institutions	333,341	1,917,501
ForeignTech/Consultancy Fees	661,526	-
Sundry Balance Written Off	327,219	334,212
Total	12,782,647	13,217,262

**26. SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION
SIGNIFICANT ACCOUNTING POLICIES****26.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the accounting standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013 to the extent applicable.

26.2 FIXED ASSETS AND DEPRECIATION

- i) Depreciation on fixed assets have been calculated as per Part C of Schedule II of the Companies Act, 2013
- ii) Depreciation on the amount of revaluation of fixed assets is adjusted against fixed assets revaluation reserve created at the time of revaluation.

26.3 INVENTORIES

Inventories are valued as under :

Stores & Spares - At cost.

Finished Goods and Work in Progress - At cost or market value, whichever is less.

26.4 INVESTMENTS

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which investments are made, are classified as current investments. All other investments are classified as long term investments. Long term investments and Current investments are stated at cost, unless there is a permanent decline in value thereof.

26.5 RECOGNITION OF INCOME AND EXPENDITURE

Sales are accounted inclusive of Excise Duty but excluding Sales Tax.

Items of income and expenditure are accounted for on accrual basis. Due to uncertainty as regards to ultimate collection on account of claims for escalation and minimum offtake guarantee, the revenue recognition is postponed as per AS-9 issued by the ICAI till bills are raised for such claims on settlement with the customers.

Cenvat Credit on purchases is adjusted from the Excise Duty payable during the year.

Preliminary Expenses are written off over a number of years as deferred revenue expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

26.6 EMPLOYEE BENEFITS

Retirement benefits are provided in the accounts on accrual basis.

Annual contribution towards Gratuity liability is funded with Life Insurance Corporation of India in accordance with the Gratuity scheme of LIC.

Short term employee benefits are recognized as expense as per company's scheme.

26.7 TAXATION

Provision is made for Income Tax liability, which is likely to arise on the results of the year at the current rate of tax in accordance with the provisions of the Income Tax Act, 1961.

The difference that result between the profit offered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or a deferred tax liability is recorded for timing difference namely that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing difference at the end of the accounting period based on the prevailing enacted or subsequently enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

26.8 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the company.

26.9 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

26.10 Excise Duty

Excise Duty on sales for the year has been disclosed as reduction from the turnover

26.11 Contingent liabilities in respect of

	Amount / Rs.	
	31-Mar-16	31-Mar-15
(a) Bank Guarantees given by the Company to its customers (Margin Money Rs. 5434251 (P.Y Rs. 5366383))	4,573,187	4,686,142
(b) Sales tax and Income tax demands against which the Company has filed representations for which no provision is considered required as the Company is hopeful of successful outcome	2,238,126	2,195,346

26.12 Capital Commitments : Capital commitments during the year was Rs.8,69,25,037/- (P.Y Rs. Nil)

26.13 Consumption of Stores and Spares including consumption for Repair and Maintenance

	Amount / Rs.			
	31-Mar-16		31-Mar-15	
	Value	%	Value	%
Indigenous	7,514,985	100	5,807,302	97
Imported	-	-	162,523	3
Total	7,514,985	100	5,969,825	100

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

26.14 CIF Value of Imported Goods

	Amount / Rs.	
	31-Mar-16	31-Mar-15
Stores & Spares	-	162,523
Traded Goods	71,297	13,967,502
Total	71,297	14,130,025

26.15 Earning & Expenditure in foreign currency

	Amount / Rs.	
	31-Mar-16	31-Mar-15
Earning in foreign currency	-	-
Expenditure in foreign currency	525,251	-

26.16 Disclosure Requirement of AS-17 (Segment Reporting)

			Amount / Rs.		
	31-Mar-16	31-Mar-15		31-Mar-16	31-Mar-15
Segment Revenue			Segment Assets		
Gases	104,608,537	130,459,701	Gases	136,053,447	132,411,911
Power	2,425,390	3,157,534	Power	13,431,763	13,694,856
Total (a)	107,033,927	133,617,235	Others	2,749,789	775,875
Unallocable revenue (b)	-	-	Total	152,234,999	146,882,642
Total (a + b)	107,033,927	133,617,235			
Segment Results			Segment Liabilities		
Gases	9,727,913	12,996,980	Gases	30,662,621	31,641,908
Power	(474,459)	359,659	Power	4,087	-
Other unallocable expenses	-	-	Others	3,945,342	4,346,417
(net of unallocable income)			Capital & Reserves	117,622,949	110,894,317
Total	9,253,454	13,356,639	Total	152,234,999	146,882,642
Interest & other charge	282,165	238,910			
Total Profit before tax	8,971,289	13,117,729			
Provision for tax	(2,242,659)	(2,912,991)			
Total Profit after tax	6,728,630	10,204,738			
Exceptional items	-	-			
Net Profit after exceptional items	6,728,630	10,204,738			

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

26.17 Earning per Share

	Amount / Rs.	
	31-Mar-16	31-Mar-15
Face Value per Share	10	10
Net Profit after Tax	6,728,630	10,204,738
No. of Ordinary Equity Shares	2,312,969	2,312,969
Basic and Diluted Earnings per Share	2.91	4.41

26.18 Related Party disclosures- As identified by the management and relied upon by the auditors

a) List of Related Parties and description of relationship

(i) Key Management Personnel

Mr S K Sharma
Mr Himanshu Sharma
Mrs Jaya Sharma
Mr Sukanta Bhattacharjee
Ms Ritu Damani

(ii) Relatives of Key Management Personnel

Mrs Tara Devi Sharma
Mrs Deepthi Sharma

(iii) Parties under Common Control

Bhagawati Steel (P) Ltd

b) Transactions with Related Parties:

Dindayal Ramrup
Mother Vision (P) Ltd

Figures in Rs.

Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Parties under Common Control	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Rent Paid			853,228	813,228	504,000	504,000
Reimbursement of Salaries etc.					377,200	346,850
Directors' Remuneration	1,980,000	1,980,000				
Director's Sitting Fee	10,000	2,500				
Remuneration paid to KMP	505,282	455,244				
Outstanding at the end of the year receivable/(payable)	2,538,396	2,284,092			831,435	808,341

26.19 Quantitative Details

(i) Capacity, Production		31-Mar-2016			31-Mar-2015		
Particulars	Unit	Licenced Capacity	Installed Capacity	Production	Licenced Capacity	Installed Capacity	Production
Oxygen Gas & Conversion of LOX to GOX	NM3	NA	14040000	10752186	NA	14040000	11340667
Dissolved Aceetylene	NM3	NA	0	0	NA	0	0
Nitrogen Gas	NM3	NA	0	0	NA	0	0
Power	KWH	NA	6570000	891660	NA	6570000	1195957

BHAGAWATI OXYGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(ii) Production, Purchase, Sales, Stock		31-Mar-16		31-Mar-15	
Particulars	Unit	Quantity	Value (Rs)	Quantity	Value (Rs)
Opening Stock					
Oxygen Gas & Conversion of LOX to GOX	NM3	0	0	0	0
Power	KWH	0	0	0	0
Purchases					
Liquid Oxygen	SM3	7147902	47152558	7605444	53773698
Power	KWH	0	0	0	0
Production					
Oxygen Gas & Conversion of LOX to GOX	NM3	10752186	0	11340667	0
Power	KWH	891660	0	1195957	0
Sales					
Oxygen Gas & Conversion of LOX to GOX	NM3	10752186	94108513	11340667	99114300
Power	KWH	891660	2425390	1195957	3157534
Closing Stock					
Oxygen Gas & Conversion of LOX to GOX	NM3	0	0	0	0
Power	KWH	0	0	0	0

(iii) Trading		31-Mar-16		31-Mar-15	
Particulars	Unit	Quantity	Value (Rs)	Quantity	Value (Rs)
Opening Stock					
Oxygen Gas & Liquid	NM3	0	0	0	0
Other Gases	****	****	12536031	****	3045443
Purchases					
Oxygen Gas & Liquid	NM3	680398	5660426	481957	4142560
Other Gases	****	****	391093	****	27508704
Sales					
Oxygen Gas & Liquid	NM3	680398	6082757	481957	4295696
Other Gases	****	****	10064257	****	21303217
Closing Stock					
Oxygen Gas & Liquid	NM3	0	0	0	0
Other Gases	****	****	4107247	****	12536031

**** The quantitative details are not given as the company deals in a large number of items of different measurement units and therefore it is not practical to give quantitative details in respect thereof.

26.20 Trade receivable, trade payable, loans & advances as appearing in the Balance Sheet are subject to confirmation.

26.21 In the view of the management, assets other than non current assets & investments, have value on realisation at least equal to the amount of which they are stated in books of account.

26.22 Figures for the previous year have been re-arranged and/ or re-grouped wherever considered necessary.

As per our report of even date attached
For **Chaturvedi and Company**
Chartered Accountants
Firm Regn No. 302137E

S C Chaturvedi
Partner
(Membership No. - 12705)

Place : Kolkata
Date : 30th May 2016

For and on behalf of the Board of Directors

Suresh Kr Sharma
Chairman
(DIN : 00041150)

Himanshu Sharma
Managing Director
(DIN : 00041181)

Sukanta Bhattacharjee
Chief Finance Officer

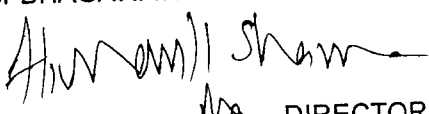
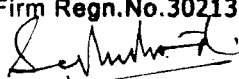

Ritu Damani
Company Secretary

NOTES

If undelivered please return to :

BHAGAWATI OXYGEN LIMITED
Plot No. 5, Sector 25
Ballabgarh 121004 (Haryana)

Form A
(pursuant to clause 31(a) of the Listing Agreement)
Covering letter of the annual audit report to be filled with the stock exchanges
For Unqualified/ Matter of Emphasis Report

1	Name of the Company	BHAGAWATI OXYGEN LIMITED
2	Annual financial statement for the year ended	31 st March 2016
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by- CEO/Managing Director Auditor of the company Audit Committee Chairman	<p>For BHAGAWATI OXYGEN LIMITED</p> <p> DIRECTOR</p> <p>S. CHATURVEDI & CO. Chartered Accountants Firm Regn.No.302137 E</p> <p> S.C. Chaturvedi Partner Membership No.12705</p> <p></p>