

# National Oxygen Limited

## BOARD OF DIRECTORS

<b>Shri. G.N. SARAF</b> Chairman & Managing Director	<b>Smt. VEENA DEVI SARAF</b>
<b>Shri. RAJESH KUMAR SARAF</b> Joint Managing Director	<b>Shri. P. SIVA</b>
<b>Dr. D.M. MOHUNTA</b>	<b>Shri. ANIL SETH</b>

## REGD. & ADMINISTRATIVE OFFICE

80, (Old No.141), Greams Road, Chennai 600 006.  
Phones : (044) 28290707 Fax : (044) 28290770  
E-mail: contact@nolgroup.com  
Website : www.nolgroup.com

## FACTORIES

- |  |  |  |
|--|--|--|
| 1. Trichy - Pudukkotta Road,<br>Mathur - 622515, Tamil Nadu. | 2. Pondy - Villupuram Road,<br>Thiruvandar Koil, Pondichery - 605 102. | 3. R-5, SIPCOT Industrial Growth Centre<br>Perundurai, Erode 638 052, Tamil Nadu |
|--|--|--|

## REGISTRAR AND SHARE TRANSFER AGENTS

### CAMEO CORPORATE SERVICE LIMITED

"Subramanian Buildings", 1, Club House Road, Chennai-600 002. Phone: 28460390.

## AUDITORS

M/s. **SINGHI & CO.**,  
Chartered Accountants  
1, Philips Street, IInd Floor, Chennai - 600 001.

## COST AUDITORS

M/s. **Sivasubramanian & Co.**,  
Cost Accountants

## BANKERS

Punjab National Bank

HDFC Bank

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**NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of the Company will be held at Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai - 600 008 on Wednesday, 25<sup>th</sup> September 2013 at 9.30 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2013, the Profit and Loss Account for the Year ended 31<sup>st</sup> March 2013 and the report of the Directors' and Auditors' thereon.
2. To declare a dividend of 10 per cent for the financial year ended 31<sup>st</sup> March, 2013.
3. To appoint a Director in the place of Smt. Veena Devi Saraf, who retires from office by rotation and being eligible offers herself for reappointment.
4. To appoint a Director in the place of Dr. Devmohan Mohunta, who retires from office by rotation and being eligible offers himself for reappointment.
5. To appoint auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors, M/s. Singhi & Co. are eligible for reappointment.

**SPECIAL BUSINESS****Item No. 6**

To consider and if thought fit, to pass the following resolution as **Special Resolution** with or without modification:

"RESOLVED THAT, pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, or any re-enactment thereof and subsequent to the approval of the Board of Directors in their meeting held on 12 August, 2013 the consent of the Company be and is hereby accorded for the ratification of the re-appointment of Mr. G. N. Saraf as the Managing Director of the Company with effect from 1st September, 2013 for a period of three years with such remuneration as recommended by the Remuneration Committee in their meeting held on 12 August 2013 and as set out in the Explanatory Statement provided that the total remuneration (including all perquisites) shall not exceed the ceiling limit as provided in Clause 1(B) of Section II, Part II of Schedule XIII of the Companies Act, 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT Mr. G. N. Saraf shall not be liable to retire by rotation during his tenure of appointment as the Managing Director of the Company"

"RESOLVED FURTHER THAT in the event of the Company making adequate profits the Board of Directors/ Remuneration Committee constituted by the Board, be and hereby authorized to revise, amend, alter and vary the terms of the remuneration and/or perquisites payable to Mr. G. N. Saraf, at its absolute discretion, subject to the guidelines or ceilings wherever applicable, within the applicable provisions of the Companies Act, 1956 and the amount of remuneration shall be within the overall ceiling of 5% or 10% of the net profits of the Company, calculated in the manner specified in the Act"

"RESOLVED FURTHER THAT in case the Company has no profits or its profits are inadequate in any financial year during the tenure of appointment of Mr. G. N. Saraf, it may pay a remuneration to

Mr. G. N. Saraf, which shall not exceed the ceiling as provided in Schedule XIII of the Companies Act 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act 1956".

**Item No. 7**

To consider and if thought fit, to pass the following resolution as **Special Resolution** with or without modification:

"RESOLVED THAT, pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, or any re-enactment thereof, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Rajesh Kumar Saraf as the Joint Managing Director of the Company with effect from 1st October 2013 for a period of three years with such remuneration as recommended by the remuneration committee in their meeting held on 12 August 2013 and as set out in the Explanatory Statement provided that the total remuneration (including all perquisites) shall not exceed the ceiling limit as provided in Clause 1(B) of Section II, Part II of Schedule XIII of the Companies Act, 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT Mr. Rajesh Kumar Saraf shall not be liable to retire by rotation during his tenure of appointment as the Joint Managing Director of the Company"

"RESOLVED FURTHER THAT in the event of the Company making adequate profits the Board of Directors/ Remuneration Committee constituted by the Board, be and is hereby authorized to revise, amend, alter and vary the terms of the remuneration and/or perquisites payable to Mr. Rajesh Kumar Saraf, at its absolute discretion, subject to the guidelines or ceilings wherever applicable, within the applicable provisions of the Companies Act, 1956 and the amount of remuneration shall be within the overall ceiling of 5% or 10% of the net profits of the Company, calculated in the manner specified in the Act"

"RESOLVED FURTHER THAT in case the Company has no profits or its profits are inadequate in any financial year during the tenure of appointment of Mr. Rajesh Kumar Saraf, it may pay a remuneration to Mr. Rajesh Kumar Saraf, which shall not exceed the ceiling as provided in Schedule XIII of the Companies Act 1956 or such amounts as may be specified by any amendment to the Act."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and do all statutory filings, as mandated, as per the provisions of Companies Act 1956".

**Place: Chennai**  
**Date : 12.08.2013**

**For and on behalf of the Board**  
**NATIONAL OXYGEN LIMITED**  
**G.N. Saraf**  
**Chairman and Managing Director**

**Notes :**

- a A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- c The Register of Members and Transfer Books of the Company will remain closed from 20 September 2013 to 25 September 2013 (both days inclusive).
- d Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- e The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. An amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : [grievancesredressal@nolgroup.com](mailto:grievancesredressal@nolgroup.com)
- f Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.
- g Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.
- h Details of Dividend declared from the financial year 2005-2006 onwards is as follows:

Financial year	Declared on	Rate of Dividend	Amount of Dividend per share
2005-2006	22.09.2006	20%	Rs.2.00
2006-2007	10.03.2007	20%	Rs.2.00 (Interim Dividend)
2007-2008	19.09.2008	20%	Rs.2.00
2008-2009	18.09.2009	10%	Rs.1.00
2009-2010	17.09.2010	10%	Rs.1.00
2010-2011	03.09.2011	10%	Rs.1.00
2011-2012	03.05.2012	10%	Rs.1.00 (Interim Dividend)

**Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the company or Registrar for obtaining payment thereof.**

i Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors:

**Item No.3**

1	Name of the Director	Smt. Veena Devi Saraf
a	Age	73 years
b	Date of appointment	11/10/1989
c	Experience	24 years
d	No. of shares as on 31 <sup>st</sup> March 2013	3,61,871 (7.54%)
e	Directorship in other public companies	Nil
f	Chairman/Member of Committees of Companies	Nil

**Item No.4**

1	Name of the Director	Dr. D. M. Mohunta
a	Age	73 years
b	Date of appointment	10/11/1987
c	Qualification	Chemical Engr. Phd.
d	Experience	26 years
e	No. of shares as on 31 <sup>st</sup> March 2013	750 (0.015%)
f	Directorship in other public companies	Nil
g	Chairman/Member of Committees of Companies	Nil

**Item No.6**

1	Name of the Director	Mr. G.N. Saraf
a	Age	78 years
b	Date of appointment	23/12/1974
c	Qualification	M.Com. LLB
d	Experience	years
e	No. of shares as on 31 <sup>st</sup> March 2013	7,94,108 (16.54%)
f	Directorship in other public companies	Nil
g	Chairman/Member of Committees of Companies	Nil

**Item No.7**

1	Name of the Director	Mr. Rajesh kumar Saraf
a	Age	51 years
b	Date of appointment	30/11/1992
c	Qualification	B.Com.,
d	Experience	21 years
e	No. of shares as on 31 <sup>st</sup> March 2013	6,18,400 (12.88%)
f	Directorship in other public companies	Nil
g	Chairman/Member of Committees of Companies	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No.6**

Shri. G. N. Saraf, was reappointed as Managing Director at the Annual General Meeting held on 17 September 2010 for three years w.e.f. from 1.9.2010 to 31.08.2013. Shri. G.N. Saraf has been managing the company efficiently for more than three decades. He has helped the company in achieving greater heights with his rich experience in the field of Industrial gases. His re-appointment will benefit the company in many ways. The Board of Directors has re-appointed Shri G. N. Saraf as Managing Director subject to the approval of the members in the Annual general Meeting for a further period of three years with effect from 1.9.2013 as per the following terms and conditions including remuneration as recommended by the Remuneration Committee at its meeting held on 12 August 2013 and it is now presented for the approval of shareholders at this Annual General Meeting.

Salary: Rs. 3,00,000/- (Rupees three lakhs only) per month inclusive of the perquisites and other allowance as detailed in Category A and Category C. Further the amount is exclusive of perquisites as detailed in Category B.

**Perquisites****Category A**

- i) Housing including gas, electricity, water and furnishings. The expenditure incurred by the Company on providing furnished accommodation etc. shall be subject to the ceiling of 60% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962 subject to the ceiling of 10% of the salary of the Managing Director.
- ii) Medical reimbursement: The expenses incurred for the self and family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession: For self, wife and dependent children once in a year incurred to and from any place in India subject to the condition that only the actual fare and no hotel expense etc. will be allowed.
- iv) Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- v) Personal Accident Insurance Premium not to exceed Rs.4000 per annum.

**Category B**

- i) Company's contribution towards Provident Fund, Superannuation Fund or annuity fund subject to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- ii) Gratuity payable shall not exceed half month's salary for each completed year of service
- iii) Earned Leave: on full pay and allowance as per the rules of the Company. Encashment of the leave at the end of the tenure.

**Category C**

- i) Free use of Company's car with driver. The use of car for the Company's business will not be considered as perquisites.
- ii) Free Telephone facility at Residence: Personal long distance calls on telephone shall be billed by the Company.

The aggregate remuneration payable, as detailed above, to the Managing Director will not in any case, exceed the limits laid down under clause 1(B) of Section II, Part II of Schedule XIII of the Companies Act, 1956.

The Board therefore recommends the resolution in Item No.6 of the Notice for your approval.

Shri.G. N. Saraf, Shri.Rajesh Kumar,Saraf and Smt.Veena Devi saraf are interested in this resolution.

**Disclosure as required under Schedule XIII, Section II, Part II 1(B) of the Companies Act, 1956****General Information:**

- a) Nature of the Industry: Manufacturing of Industrial gases
- b) Date of commencement of business: The company had commenced its business from the date of its inception as a private limited company
- c) Financial performance

Particulars	For the period ended 31.03.2013 Rs.
<b>INCOME</b>	
Gross Sales	268,861,977
Less : Excise Duty	22,776,527
Net sales	246,085,351
Other income	5,414,276
Total (A)	251,499,627
<b>EXPENDITURE</b>	
Purchases of stock-in-trade	-
Cost of materials consumed	10,122,488
Changes in inventories	75,985
Employee Benefit expenses	28,631,339
Power and fuel	105,826,736
Finance Costs	14,620,626

Depreciation and Amortisation	34,757,971
Other expenses	51,570,543
Total (B)	245,605,688
Balance (A-B) Profit Before Taxation	5,893,938
Tax expenses	2,500,000
Deferred Tax	(2,495,000)
Profit for the year	5,888,938
<b>Earning per equity share:</b>	
Basic	1.23
Diluted	1.41

- a) Export performance and net foreign exchange collaborations (if any) : NIL  
b) Foreign Investments or collaborators, if any : NIL

**Information about Mr.G.N.Saraf (the appointee)**

- 1) Past remuneration : Rs 200000/- per month
- 2) Recognition or awards : Nil
- 3) Job Profile and suitability : managing the entire affairs of the company
- 4) Remuneration proposed: Rs.3,00,000/- per month inclusive of the perquisites and other allowance as detailed above.
- 5) Comparative remuneration profile with respect to industry, size of the company: Industrial Gases Manufacturing Industry  
Only Minimum remuneration proposed to managerial personnel and comparatively lower than any other company in the same industry and with the same kind of operation.
- 6) Pecuniary relationship  
Mr.G.N. Saraf is holding 794108 shares comprising 16.54% in the paid up capital of the company and is related to Mr.R.K.Saraf, Joint Managing Director, and Smt.Voona Devi Saraf, Director and Ms.Aarti Saraf, General Manager, Information Technology.
- 7) Reasons of loss or inadequate profits  
The company is making profits presently and the resolution is proposed to be passed for the contingencies which may arise resulting in declining profits.
- 8) Steps taken or proposed to be taken for improvement  
The Company has started testing work at the Perundurai Plant, Erode district and shall soon commence production by the year end. This shall boost the revenue and increase the profitability of the Company.
- 9) Expected increase in productivity and profit in measurable terms:  
The rated capacity of both the plants 74 tons/ 54 tons per day will be achieved subject to market conditions.

**Item No.7:**

Shri.Rajesh Kumar Saraf. was reappointed as Joint Managing Director at the Annual General Meeting held on 19<sup>th</sup> September 2008 for a further period of five years with effect from 1.10.2008, and his term expires on 30 September 2013. Shri. Rajesh Kumar Saraf is one of the key functionaries in the top management team and has been associated with the Company for the last



twenty years. The Board of Directors has recommended the re-appointment of Shri. Rajesh Kumar Saraf as Joint Managing Director for a further period of three years with effect from 1.10.2013 as per the following terms and conditions including remuneration as recommended by the Remuneration Committee at its meeting held on 12 August 2013, for approval of shareholders at the Annual General Meeting.

**Salary:**

Rs. 3,00,000/- per month inclusive of the perquisites and other allowance as detailed in Category A and Category C. Further the amount is exclusive of perquisites as detailed in Category B.

**Perquisites**

**Category A**

- i) Housing including gas, electricity, water and furnishings. The expenditure incurred by the Company on providing furnished accommodation etc. shall be subject to the ceiling of 60% of the salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962 subject to the ceiling of 10% of the salary of the Joint Managing Director.
- ii) Medical reimbursement: The expenses incurred for the self and family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave Travel Concession: For self, wife and dependent children once in a year incurred to and from any place in India subject to the condition that only the actual fare and no hotel expense etc. will be allowed.
- iv) Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- v) Personal Accident Insurance Premium not to exceed Rs.4000 per annum.

**Category B**

- i) Company's contribution towards Provident Fund, Superannuation Fund or annuity fund subject to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- ii) Gratuity payable shall not exceed half month's salary for each completed year of service
- iii) Earned Leave: on full pay and allowance as per the rules of the Company. Encashment of the leave at the end of the tenure.

**Category C**

- i) Free use of Company's car with driver. The use of car for the Company's business will not be considered as perquisites.
- ii) Free Telephone facility at Residence: Personal long distance calls on telephone shall be billed by the Company.

The aggregate remuneration payable, as detailed above, to the Joint Managing Director will not in any case, exceed the limits laid down under clause 1(B) of Section II, Part II of Schedule XIII of the Companies Act, 1956.

The Board therefore recommends the resolution in Item No.7 of the Notice for your approval.

Shri.Rajesh Kumar Saraf, Shri.G.N.Saraf and Smt.Veena Devi Saraf are interested in this resolution.

**Disclosure as required under Schedule XIII, Section II, Part II 1(B) of the Companies Act, 1956****General Information:**

- a) Nature of the Industry: Manufacturing of Industrial gases  
 b) Date of commencement of business: The company had commenced its business from the date of its inception as a private limited company  
 c) Financial performance

Particulars	For the period ended 31.03.2013 Rs.
<b>INCOME</b>	
Gross Sales	268,861,877
Less : Excise Duty	22,776,527
Net sales	246,085,351
Other income	5,414,276
Total (A)	<b>251,499,627</b>
<b>EXPENDITURE</b>	
Purchases of stock-in-trade	-
Cost of materials consumed	10,122,488
Changes in inventories	75,986
Employee Benefit expenses	28,631,339
Power and fuel	105,826,736
Finance Costs	14,620,626
Depreciation and Amortisation	34,757,971
Other expenses	51,570,543
Total (B)	<b>245,605,688</b>
Balance (A-B) Profit Before Taxation	<b>5,893,938</b>
Tax expenses	2,600,000
Deferred Tax	(2,495,000)
Profit for the year	<b>5,868,938</b>
<b>Earning per equity share:</b>	
Basis	1.23
Diluted	1.41

- d) Export performance and net foreign exchange collaborations (if any) : NIL  
 e) Foreign Investments or collaborators, if any : NIL

**Information about Mr. Rajesh Kumar Saraf (the appointee)**

- 1) Past remuneration: Rs 1,00,000/- per month
- 2) Recognition or awards: Nil
- 3) Job Profile and suitability: managing the entire affairs of the company
- 4) Remuneration proposed: Rs.3,00,000/- per month inclusive of the perquisites and other allowance as detailed above.
- 5) Comparative remuneration profile with respect to industry, size of the company: Industrial Gases Manufacturing Industry

Only Minimum remuneration proposed to managerial personnel and comparatively lower than any other company in the same industry and with the same kind of operation.

6) Pecuniary relationship

Mr. Rajesh Kumar Saraf is holding 618400 shares comprising 12.88% in the paid up capital of the company and is related to Mr. G. N. Saraf, Managing Director, and Smt. Veena Devi Saraf, Director and Ms. Aarti Saraf, General Manager, Information Technology.

7) Reasons of loss or inadequate profits

The company is making profits presently and the resolution is proposed to be passed for the contingencies which may arise resulting in declining profits.

8) Steps taken or proposed to be taken for improvement.

The Company has started testing work at the Perundurai Plant, Erode district and shall soon commence production by the year end. This shall boost the revenue and increase the profitability of the Company.

9) Expected increase in productivity and profit in measurable terms:

The rated capacity of both the plants 74 tons/ 54 tons per day will be achieved subject to market conditions.

**DIRECTORS' REPORT**

The Directors of your Company present its 38<sup>th</sup> Annual Report on the functioning of the Company together with the Profit and Loss Account for the year ended 31<sup>st</sup> March 2013 and the Balance Sheet as at that date together with the Auditor's Report thereon.

**Financial Results:**

	<b>Current year 31.03.2013 (Rs.in Lakhs)</b>	<b>Previous Year 31.03.2012 (Rs.in Lakhs)</b>
Gross Profit / (Loss)	406.51	452.16
Depreciation	(347.58)	(9358.74)
Profit / (Loss) before Tax	58.93	93.42
Provision for Income Tax	(25)	(7.20)
Provision for Fringe Benefit Tax	-	-
Provision/ Release of Deferred Tax	24.95	(7.48)
Net Profit for the year	58.8	78.74
Balance brought forward from the earlier year	309.2	286.69
	<b>368.08</b>	<b>365.43</b>

During the financial year 2012-13, despite the power crisis and increased business competition, your company was able to maintain profit levels and register a net profit of Rs. 58.88 lakhs which is however lower than the profit of Rs. 78.73 lakhs earned in the previous year.

**Business Operations:****Industrial Gases**

Your Company was able to successfully commission the plant at SIPCOT Industrial Growth Centre, Perundurai near Erode. The plant at Pondicherry is also performing at its rated capacity. Your Company is working on the market front since the supply of oxygen and nitrogen has increased compared to the previous year.

**Windmill:**

The Power generation is normal and we expect the generation of power will continue at the same level.

**Dividend:**

Your Board of Directors recommends dividend of Rs. 1 per share, i.e. 10 percent (Rs. 1 per equity share of Rs 10/- each fully paid-up) for the year ended 31 March, 2013, to equity shareholders aggregating to Rs.4802271 together with the Corporate Dividend Distribution Tax of Rs.8,16,146. The total payout will be Rs. 56,18,417 subject to approval of the shareholders in the ensuing Annual General Meeting.

**Directors:**

Smt. Veena Devi Saraf and Mr Devmohan Mohunta are retiring at this meeting by rotation and being eligible, offer themselves for reappointment.

Mr G N Saraf, Managing Director was re-appointed by the Board of directors in their meeting held on 12 August 2013 subject to the approval of members for a period of three years with effect from 01 September 2013.

Mr Rajesh Kumar Saraf, Joint Managing Director is also proposed to be re-appointed for a period of three years with effect from 01 October 2013.

**Rights Issue:**

The Board of Directors of National Oxygen Limited wishes to thank all its members and investors for their response to the Company's Rights Issue of Equity Shares, which opened for subscription on Wednesday, July 11, 2012 and closed on Thursday, August 09, 2012 with an issue size of Rs 934.97 lakhs. The total amount collected on application is Rs 895.28 lakhs for 17,90,561 Equity Shares, which is 95.75% of the total Issue size.

The Basis of Allotment was approved by Bombay Stock Exchange Limited ("BSE"), the Designated Stock Exchange on August 17, 2012. Pursuant to the approval, the Board of Directors has allotted 16,85,721 Equity Shares in its meeting held on August 17, 2012. All the valid applications (including Application Supported by Blocked Amount ("ASBA")) have been considered for allotment.

The proceeds of the rights issue were utilized for the purpose mentioned in the letter of offer of the said rights issue.

The Board once again wishes to thank all the shareholders for making the issue success.

**Fixed Deposits:**

The Company has not accepted any fixed deposits during the year.

**Particulars of Employees and Labour Relations:**

None of the employees fall under the category specified under Sec.217 (2A) of the Companies Act, 1956 and the Rules thereunder.

The relations with the employees during the year had been smooth and cordial.

**Conservation of Energy, Technology Absorption and Foreign Exchange inflow & Outgo:**

Prescribed particulars under Section 217(1)(e) of the Companies Act, 1956 are furnished as Annexure-A to this Report.

**Director's Responsibility Statement:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2013, the applicable accounting standards have been followed along with proper explanation related to material departures, if any.
- they have 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 on 31<sup>st</sup> March, 2013 and of the profit and loss of the company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts are prepared on a going concern basis.

**Corporate Governance:**

As a listed Company, necessary measures are taken to comply with the listing agreements with stock exchanges. A Report on Corporate Governance, along with certificate of Compliance from the Practicing Company Secretary forms **Annexure-B** to this report.

**Management Discussion and Analysis Report:**

A Management Discussion and Analysis Report is given as **Annexure C** to this report.

**Auditors:**

Messrs. Singhi & Co., Chartered Accountants, retire at this meeting and being eligible are proposed for reappointment. They also expressed their willingness to continue in office if reappointed, at the ensuing annual general meeting.

**Compliance Certificate:**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the company has obtained a certificate from M/s. Lakshmi Subramanian & Associates, Chennai, Secretary in whole time practice confirming that the company has complied with all the provisions of Companies Act, 1956 and a copy of such certificate is annexed to the report.

**Cost Audit:**

Our Company is covered under Cost Audit from the current year (2012-13) onwards and we have appointed M/s Sivasubramanian & Co., Practicing Cost Accountants as the Cost Auditors of the Company.

**Acknowledgement:**

Your Directors take this opportunity to place on record their appreciation of the continued support and Co-operation from Punjab National Bank and HDFC Bank Limited.

Your Directors also wish to convey their thanks to all the valued customers and the valuable services rendered by the Officers, Staff and Workers at all levels.

Place : Chennai  
Date : 12.08.2013

**For and on behalf of the Board**  
**G.N. Saraf**  
**Chairman and Managing Director**

### ANNEXURE A TO DIRECTORS' REPORT

**INFORMATION AS PER SEC.217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

#### **A. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken
  - i. Introduction of efficient lighting system and special capacitor banks for improvement of power factor.
  - ii. Improvements in operating efficiency and reduction of losses at workers level.
  - iii. Technology for production of gases is being upgraded continuously. Also distribution technology for cryogenic liquid products is streamlined.
- b. Additional Investment Proposals. ---NIL
- c. Impact of above measures on energy consumption. Introduction of efficient lighting system and other energy saving systems has considerably reduced power consumption.
- d. Total energy consumption and energy consumption per unit of production as per Form A. Not Applicable.

#### **B. TECHNOLOGY ABSORPTION**

- a. As per Form B. Not applicable
- b. Research and Development (R & D)
  - i. Specific areas in which Research and Development carried out by the Company - NIL
  - ii. Benefits derived as a result of the above Research and Development - NIL
  - iii. Future Plan of action. The Company has tentative proposals to introduce Research and Development division in the next two years.
  - iv. Expenditure on Research and Development at present Percentage of the turnover - NIL
    - a. Capital
    - b. Recurring
    - c. Total
    - d. Total Research and Development as a percentage of Turnover.

#### **Technology, Absorption, Adoption and Innovation**

- i. Efforts made - NIL
- ii. Benefits derived
  1. Production Improvement
  2. Cost reduction
  3. Import substitution
- iii. Technology imported - NIL
  - Year of Report - NIL
  - Has technology been fully absorbed - NIL
  - If not fully absorbed areas where this has not been reasons therefore and future plans of action - NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO-**

- (i) Activities relating to Exports, Initiatives taken to increase Exports, Developments of new Export Market for products and Services and Export Plans:

The Company has not undertaken any export activities.

- (ii) Total Foreign Exchange used and earned:

	2012-13	2011-12
Earnings in Foreign Exchange	Nil	Nil
Expenditure in Foreign Currency	6,65,996	9,03,738
CIF Value of Imports	12,39,48,034	50,04,382

**ANNEXURE B TO DIRECTORS REPORT — REPORT ON CORPORATE GOVERNANCE:****1. Company's Philosophy on Code of Governance:**

National Oxygen Limited defines Corporate Governance as a Systematic Process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ vast Quantum of social resources, we believe that the governance process should ensure that these companies are managed in a manner that meets stakeholders' aspirations and social expectations.

The basic objective of corporate governance policies adopted by the companies is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also goes beyond them by putting into place procedures and systems, which are in accordance with best practice of governance. Your company believes that good corporate governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain Public trust in companies and stock market.

**2. Board of Directors:****Composition and category of Board of Directors**

The Board of Directors of the company comprises of Executive, Non-Executive and Independent Directors. In all there are six Directors, two executive, one non-executive and three independent directors.

As on 31<sup>st</sup> March 2013, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. The Board is responsible for the management of the business and meets regularly for discharging its role and functions.

**Number of Board Meetings Held dates on which held:-**

During the financial year 2012-2013 viz., from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013, nine (9) Board meetings were held on the following dates: 3<sup>rd</sup> May, 2012, 30<sup>th</sup> May 2012, 26<sup>th</sup> July 2012, 30<sup>th</sup> July, 2012, 13<sup>th</sup> August, 2012, 17<sup>th</sup> August 2012, 3<sup>rd</sup> September 2012, 12<sup>th</sup> November, 2012, and 12<sup>th</sup> February 2013. The Annual General Meeting was held on 28<sup>th</sup> September, 2012.

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2012-2013 and the last AGM held on 28.09.2012 is given below.



Name of the Director	Category	Attendance Particulars		Number of Directorships in other Public companies and Committee Members /		
		Board Meetings	Last AGM (Yes/ No)	Other Directorships	Committee Memberships (other than NOL)	Committee Chairmanships (other than NOL)
Shri. G.N. Saraf	Chairman and Managing Director - Executive	9	No	-	-	-
Shri. R.K. Saraf	Joint Managing Director - Executive	9	Yes	-	-	-
Dr. D.M. Mohunta	Non-Executive Independent	9	Yes	-	-	-
Smt. Veena Devi	Non-Executive Non-Independent	9	No	-	-	-
Shri. P. Siva	Non-Executive Independent	9	Yes	-	-	-
Shri. Anil Seth	Non-Executive Independent	9	No	1	-	-

### 3. BOARD COMMITTEES:-

#### A. Audit Committee:

##### Charter:-

The Primary object of Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

##### Composition:-

The Audit committee comprises of the following three Non-Executive Independent Directors of the company:

Name of the Director	Category of Membership
Shri.P. Siva	Chairman
Dr.D.M. Mohunta	Member
Shri. Anil Seth	Member

**Terms of reference:** The major terms of reference of this committee are as under:-

- ❖ Reviewing with management the financial statements before submission of the same to the Board.
- ❖ Overseeing of company's financial reporting process and disclosures of its financial information.
- ❖ Reviewing the adequacy of the internal Audit Function.
- ❖ Recommendation and Removal of Statutory Auditor and Fixation of audit Fees.
- ❖ Reviewing the Reports furnished by the statutory auditors and ensuring suitable follow up thereon.

**Meeting and Attendance of the Committee:-**

During the financial year four Audit Committee meetings were held on the following dates 30<sup>th</sup> May 2012, 13<sup>th</sup> August 2012, 12<sup>th</sup> November 2012 and 12<sup>th</sup> February 2013.

The Attendance of Directors at the Audit Committee Meetings held during the year 2012-2013 is given below:

Name of the Director	Category of Membership	Attendance Particulars	
		Meetings Held	Meetings Attended
Shri.P.Siva	Chairman	4	4
Dr.D.M.Mohunta	Member	4	4
Shri. Anil Seth	Member	4	4

**B. Remuneration Committee:**

The Remuneration Committee comprises of three Non-Executive Directors viz.:

1. Dr. D.M. Mohunta, Chairman of the Committee
2. Shri. P. Siva, Member
3. Shri. Anil Seth, Member

**Terms of reference:**

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

A Remuneration Committee Meeting was held on 13 August 2012 during the year for the recommendation of remuneration to a relative of Director holding an office or place of profit.

**Remuneration Policy:**

The remuneration of the Executive Directors is recommended by the Remuneration committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry and responsibilities shouldered. The Company pays remuneration by way of salary and perquisites to its Executive Directors.

The Non-executive Directors are not paid any remuneration except sitting fees. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

The details of the remuneration paid/payable to the Directors during the Financial Year 2012-2013, shareholding and relationship with Directors are as under:

Name of the Director	Salary & Perquisites (Rs.)	Sitting Fees (Rs.)	No. of shares held as on 31.3.2013	Relationship with Directors
Shri.G.N.Saraf	30,55,769/-		7,94,108	Husband of Smt.Veena Devi Saraf and Father of Shri.R.K.Saraf
Shri.R.K.Saraf	12,52,806/-		6,18,400	Son of Shri.G.N.Saraf and Smt.Veena Devi Saraf
Dr.D.M.Mohunta	-	12000	750	-
Smt.Veena Devi Saraf	-	15,000	3,61,871	Wife of Shri.G.N.Saraf and Mother of Shri.R.K.Saraf
Shri.P.Siva	-	18,000	960	-
Shri.Anil Seth	-	12,000	-	-

**Details as required under Schedule XIII Part II of the Companies Act, 1956**

**Information about Mr G N Saraf, Managing Director**

Elements of Remuneration package: as given under explanatory statement attached along with the notice

Details of fixed component and performance linked incentive: as given under explanatory statement attached along with the notice

Service contracts, notice period, severance fees: Nil

Details of Stock options: Nil

**Information about Mr Rajesh Kumar Saraf, Joint Managing Director**

Elements of Remuneration package: as given under explanatory statement attached along with the notice

Details of fixed component and performance linked incentive: as given under explanatory statement attached along with the notice

Service contracts, notice period, severance fees: Nil

Details of Stock options: Nil

**C. Shareholders/Investors Grievance and Share Transfer Committee:**

**Composition:-**

The Shareholders / Investors Grievance and Share Transfer Committee comprises of:

1. Smt. Veena Devi Saraf, Chairperson of the Committee
2. Shri. G. N. Saraf, Member
3. Shri. P. Siva, Member

**The terms of reference of this committee are as under:-**

The shareholders/investor grievance and share transfer committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, non-receipt of annual report and to ensure expeditious share transfers.

**Meeting and Attendance of the committee:-**

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. The said Committee met 8 times during the year 2012-2013.

**Compliance Officer :** Mr. K.S. Govindarajan

**Shareholders complaints received and replied in 2012-2013.**

During the Financial Year 2012-2013, 4 (four) complaints were received from shareholders and were replied/redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31<sup>st</sup> March 2013.

In case of any investor complaint, shareholders are requested to address the same to [grievancesredressal@nolgroup.com](mailto:grievancesredressal@nolgroup.com)

**6. General Body Meetings:**

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2009-2010	17 <sup>th</sup> September 2010 at 9.30 a.m	Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai 600 008.
2010-2011	3 <sup>rd</sup> September 2011 at 10.00 a.m	Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai 600 008.
2011-2012	28 <sup>th</sup> September 2012 at 10.30 a.m	Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai 600 008.

**I) Special Resolution Passed in the Past three AGM's:-****2011-2012:-**

Special Resolution for the purpose of appointment of Ms. Aarti Saraf, relative of the directors as General Manager, Information Technology.

**2010-2011:-**

Special Resolution for the purpose of issue of equity shares on Rights basis. Special resolution for borrowal of money to a limit not exceeding in the aggregate of Rs. 100 crores.

**2009-2010:-**

Special Resolutions for reappointment of Shri. G.N. Saraf as Managing Director.

**II) Postal Ballots:**

No resolutions were passed through Postal Ballot during the financial year under review.

**7. Disclosures:**

- a. **Related Party Transactions:** The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company except those that have been disclosed and are mostly one time payment. The necessary disclosures regarding the transactions are given in the point no. 38 of the Notes to the Accounts.

- b. There are no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock exchanges or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.
- c. Disclosure on accounting treatment: No differential treatment from the Accounting standards was followed in the preparation of the financial statements.
- d. The company does not have a Whistle Blower Policy and no employee has been denied access to approach the audit committee to report any serious concerns.
- e. The company has complied with all the mandatory requirements of Clause 49 of the listing agreement and the extent of compliance of the non-mandatory requirements is given in the end of this Report.
- f. No money has been raised through Public / Preferential issue during the financial year ended 31<sup>st</sup> March 2013 other than through Rights Issue during the financial year, the details of which are given in the Directors' Report..

#### 8. Means of Communication:

The quarterly financial results are usually published in the News Today (English) and Malai Sudur (Tamil) and are also available on the following websites-

[www.noiigroup.com](http://www.noiigroup.com), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

#### 9. Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms a part of the Directors Report. (Given in Annexure C)

#### 10. General Shareholders Information:

- (i) Date of Annual General Meeting : 25<sup>th</sup> September 2013  
Time : 9.30 a.m.  
Venue : Hotel Kanchi,  
28, Ethiraj Salai,  
Egmore, Chennai 600 008

- (ii) Financial Calendar

Results for the quarter ending June 30, 2013	Within 45 days from the end of the quarter
Results for the quarter ending September 30, 2013	Within 45 days from the end of the quarter
Results for the quarter ending December 31, 2013	Within 45 days from the end of the quarter
Results for the quarter ending March 31, 2014	Audited Results within 60 days from the end of the quarter
Annual General Meeting	September 2014

- (iii) Book-Closure Date : 20 September 2013 to 25 September 2013 (both days inclusive)
- (iv) Listing on the Stock Exchanges : The Equity shares of the Company are listed in the Bombay Stock exchange and Madras Stock Exchange. The company confirms that it has paid annual listing fees to all the stock exchanges for the year 2013-2014.

The shares of the company are also traded in National Stock Exchange through MOU between Madras Stock Exchange and National Stock Exchange

- (v) Stock Code : Bombay Stock Exchange 507813  
Madras Stock Exchange NATOXYGEN  
National Stock Exchange NOL

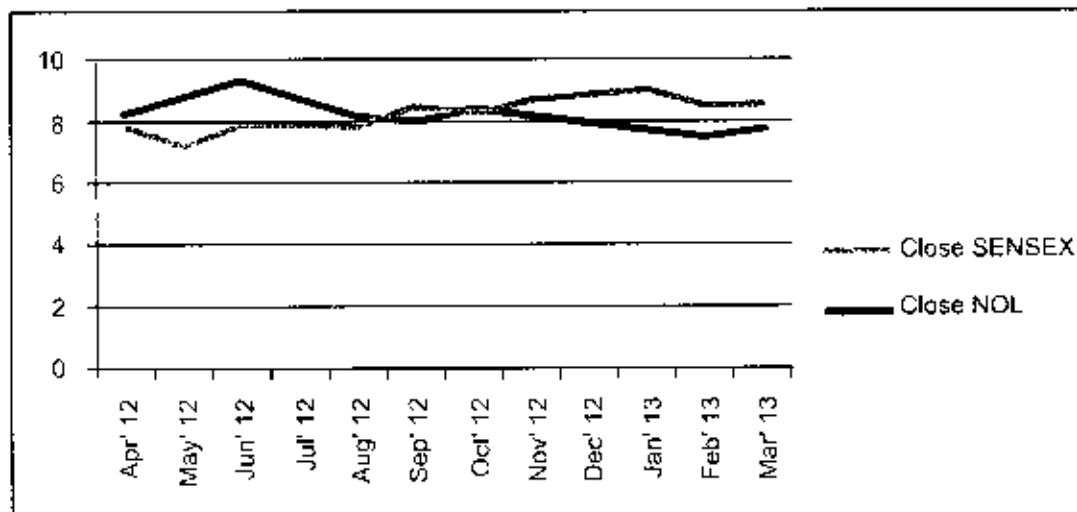
(vi) Stock Market Data:-

Bombay Stock Exchange: High and Low quotations of the Company's shares during the period 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013:

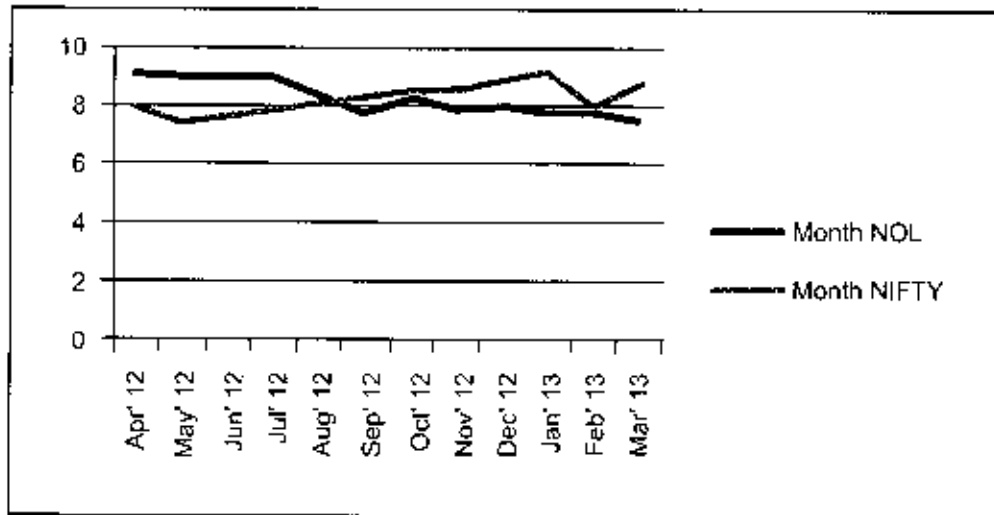
Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
	(Rs.)		Numbers	(Rs.)		Numbers
Apr-12	50.45	42.10	1,666	48.05	40.75	4,224
May-12	48.95	40.05	8,761	54.00	36.8	13,102
Jun-12	50.25	42.05	26,689	50.55	42.6	25,146
Jul-12	50.90	44.60	25,057	51.50	45.5	14,396
Aug-12	47.75	42.15	9,355	48.30	41.2	2,834
Sep-12	46.00	41.35	8,407	45.80	40.2	7,104
Oct-12	45.95	42.00	8,348	43.95	41.05	5,122
Nov-12	44.95	41.30	12,540	45.75	41.3	6,911
Dec-12	44.85	40.35	11,282	44.70	41.05	12,412
Jan-13	43.55	40.00	5,684	42.00	41.00	4,397
Feb-13	44.60	39.00	9,162	43.40	38.00	5,040
Mar-13	44.00	37.10	5,420	42.00	38.95	827

Performance index

- Performance of Company's share on BSE



Performance of Company's share on NSE



(vii) Registrar and Share Transfer Agents : M/s.Cameo Corporate Service Limited,  
"Subramanian Buildings"  
1, Club House Road, Chennai- 600 002.  
Contact No. 044-28460390  
Fax No. 044-28460129

(viii) Share Transfer System: Presently the share transfer documents which are received by the Company are processed, approved and kept ready for despatch within 15 days from the date of the receipt.

(ix) Distribution of Shareholding as on 31.3.2013:

Share or Debenture holding (Rs.)	No. of shareholders	% to total	Share/ Debenture Amount (Rs.)	% to total
10 5000	4022	92.1420	6648450	13.8443
5001-10000	216	4.9484	1646870	3.4293
10001-20000	54	1.2371	790160	1.6453
20001-30000	16	0.3665	402360	0.8378
30001-40000	9	0.2061	323370	0.6733
40001-50000	5	0.1145	240520	0.5008
50001-100000	6	0.1374	421700	0.8781
100001 & above	37	0.8476	37549280	78.1906
Total	4365	100	48022710	100

## (x) Shareholding Pattern as on 31.3.2013:

Category	No. of Shares Held	Percentage of Share holding
<b>A. PROMOTER HOLDING</b>		
1. Promoters		
Indian Promoters	28,05,931	58.43%
Foreign Promoters	NIL	
2. Persons acting in concert	NIL	
Sub-Total	28,05,931	58.43%
<b>B. Non-Promoters Holding</b>		
3. Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b. Banks, financial Institutions, Insurance Companies (central/state Govt. Institutions Non-government Institutions)	NIL	NIL
c. FIs	NIL	NIL
Sub-Total	NIL	NIL
4. a. Body Corporate	154631	3.22%
b. Indian Public	18,09,729	37.68%
c. Clearing Member	1	0.00%
d. Hindu Undivided Family	18367	0.38%
e. NRI	11902	0.25%
f. Non-Resident Family	1710	0.035%
Sub-Total	19,96,340	41.57%
Grand Total	4802271	100.00%

**Shareholders holding more than 1% of the shares**

The details of shareholders (non-promoters) holding more than 1% of the equity as at March 31, 2013 are as follows :

Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares
Manoharlal S	71792	1.49
R F Dadabhoy	52800	1.10
F L Dadabhoy	88741	1.85
N F Dadabhoy	52800	1.10
Abdul Rasheed	63796	1.33



Saffiya Banu	66049	1.38
Manoharlal S	105247	2.19
Thakur Prasad	80718	1.68
S Dakshayani	64115	1.34
S S Sundaram	78276	1.63
Sicgil India Ltd	75273	1.57
<b>Total</b>	<b>799607</b>	<b>16.65</b>

(xi) **Dematerialisation of shares:** The equity shares of the company have been admitted for dematerialization with NSDL and CDSL. The ISIN No. of the Company is INE296D01010. 91.28% of the Company's paid up Equity share capital has been dematerialised upto March 31, 2013.

(xii) **Plant locations of the Company:**

**I. Industrial Gases :**

Factories:

- |   |  |   |
|---|--|---|
| 1. Trichy-Pudukottai Road<br>Mathur-622515.<br>Tamil Nadu | 2. Pondy-Villupuram Road,<br>Thiruvandarkol,<br>Pondicherry 605 102. | 3. R-5, SIPCOT Industrial Growth Centre<br>Perundurai,<br>Erode 638 052, Tamil Nadu |
|---|--|---|

**II. Windmill :**

Location : Brahmanvol, Dhule District, Maharashtra - 424001

(xiii) **Address for Correspondence:**

National Oxygen Limited  
Regd. and Administrative Office:  
80, (Old No.141) Greams Road,  
Chennai 600 006.  
Phone: 28290707 (4 lines)  
Fax: (044)28290770  
Email: contact@nolgroup.com

(xiv) E-Mail ID of Investor Grievance redressal cell :  
grievancesredressal@nolgroup.com

**10. Non-Mandatory Requirements:**

- Chairman of the Board: The Company maintains the office of the Executive Chairman at its Corporate Office and also reimburses the expenses incurred in performance of duties.
- The Board has duly constituted a Remuneration Committee under the Chairmanship of Dr. D. M. Mohunta, which determines the remuneration package for Executive Directors.
- Shareholder Rights: The quarterly financial results are usually published in the News Today (English) and Malai Sudur (Tamil).
- Audit qualifications: The company has no audit qualifications in the financial statements.

- e. Training of Board members: Periodical meetings are held with skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices
- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower policy.

**11. Code of conduct:**

We hereby declare that the code of conduct for all the members of the Board and senior management of the Company has been framed and all Board and senior management have affirmed compliance of the Code.

**DECLARATION**

I, G.N.Saraf, Managing Director of the company, hereby declare that the Board of Directors has laid down a code of conduct for its Board members and senior Management of the company and Board members have affirmed compliance with the said code of conduct. The code of conduct is posted on the website of our company at [www.nolgroup.com](http://www.nolgroup.com).

Place: Chennai  
Date: 12.08.2013

**for National Oxygen Limited,**

**G.N. SARAF**  
Managing Director

**COMPLIANCE CERTIFICATE****Registration No. 18-006819****Authorised Capital: Rs. 5,00,00,000/-**

To,  
The Members,  
**M/s. NATIONAL OXYGEN LIMITED**

We have examined the registers, records, books and papers of **M/s. NATIONAL OXYGEN LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March 2013**. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies at the dates specified therein.
3. The Company being a public limited company the applicability of Section 3(1) (iii) does not arise.
4. The Board of Directors met **9 (Nine)** times on **03 May 2012, 30 May 2012, 26 July 30 July 2012, 13 August 2012, 17 August 2012, 03 September 2012, 12 November.2012, 12.February 2013** in respect of which meetings the proceedings were recorded in the Minutes Book maintained for that purpose.
5. The Company had opted to close its Register of Members during the financial year under review from **26<sup>th</sup> September 2012 to 28<sup>th</sup> September 2012** (both days inclusive) and has complied with the provisions of Section 154 of the Companies Act, 1956.
6. The Annual general meeting of the company for the financial year ended on **31 March 2012** was held on **28 September 2012** and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extraordinary Meeting of members was held during the year under review as per the records provided and information given to us by the management.
8. As per the information and declaration given by the management the company had not granted any loans to directors or persons or firms or companies referred in the provisions of Section 295 of the Act.
9. The Company had entered into inter-se transactions with associate companies and has not obtained any approval as required under Section 297 of the Companies Act, 1956. In the opinion of the management such transactions are entered at the prevailing market price and hence no approval was taken from the Central Government.
10. The Company has made necessary entries in the register maintained under Section 301 of the Companies Act, 1956.
11. According to the information, explanations and declaration furnished by the management, the Company has appointed the relative of a director in the place of profit under Section 314 of the

- Companies Act, 1956 by obtaining an approval from the Board of Directors, and members and the Company complied with the provisions of the Companies Act, 1956 by filing necessary e-form during the financial year under review.
12. The Board of Directors and the duly constituted Committee of Directors have not approved any issue of duplicate share certificates.
  13. The Company, during the financial year under review, had:
    - (i) Delivered all the certificates on allotment of securities of 16,85,721 through rights issue and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Companies Act, 1956.
    - (ii) Deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of such dividend.
    - (iii) Declared dividend during the year and paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company
    - (iv) The Company duly transferred the unpaid amount pending for disbursement in dividend account which has remained unclaimed/unpaid for a period of seven years, to Investor Education and Protection Fund ('IEPF').
    - (v) Generally complied with the requirements of Section 217 of the Act.
  14. The Board of Directors of the company is well constituted, and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy has been made during the financial year under review.
  15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the year under review.
  16. The Company had not appointed any sole-selling agents during the financial year under review.
  17. As per the information and explanation given by the management, the company has no transaction which necessitated the company to seek approval from the Company Law Board, Regional Director, Register of Companies and Central Government during the financial year under review.
  18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Companies Act, 1956 and the Rules made there under.
  19. The Company issued shares of 16,85,721 by way of right issue during the financial year under review.
  20. The Company has not bought back any of its shares during the financial year under review.
  21. The Company has not issued any redeemable preference shares/debentures; and hence the question of redeeming any preference shares/debentures does not arise.
  22. The Company did not keep in abeyance rights to dividend, rights shares, and bonus shares pending registration of transfer of shares during the financial year under review.
  23. According to the information and explanation given by the management, the company had not accepted any deposits from the public, shareholders, directors or their relatives and hence compliance with provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.

24. The amount borrowed by the company from banks during the financial year is within the borrowing limits as fixed by the Company and the company had passed necessary resolution by complying with the provisions of Section 293(1) (d) of the Companies Act, 1956 in the previous years.
25. According to the information and explanation given by the management, the company has not made any loans/investments or given guarantees or provided securities to other bodies corporate during the financial year under review.
26. The Company had not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The Company had not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company had not altered the provisions of the memorandum with respect to name during the year under scrutiny.
29. The Company had not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company had not altered its articles of association during the financial year under review.
31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Companies Act, 1956 and hence the question of fine or penalties does not arise.
32. The Company had not received any amount as security from its employees during the financial year; hence the applicability of the provisions of Section 417(1) of the Companies Act, 1956 does not arise.
33. According to the information and explanations furnished by the management, the Company had not constituted its own Provident Fund pursuant to the provisions of Section 418 of the Companies Act, 1956; however the company had generally been regular in depositing both the employers and employees contribution to the Provident Fund with prescribed authorities.

Place: Chennai

Date: 12.08.2013

Name of Company Secretary : Lakshmmi Subramanian  
C. P. No. : 1087

**Annexure A****Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act, 1956 (Computerized)
2. Register of Directors u/s 303 of the Companies Act, 1956
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956
5. Minutes of the Annual General Meeting/Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
6. Register of Share Transfers (Computerized).
7. Register of Charges u/s 143 of the Companies Act, 1956.

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31<sup>st</sup> March 2013.

<b>Name of the Document</b>	<b>Date of Event</b>	<b>Date of filing</b>	<b>Due Date</b>	<b>Remarks</b>
Form 23AC & ACA(XBRL)	31.03.2013	15.01.2013	28.02.2013	On-time
Form 20B	28.09.2012	27.11.2012	27.11.2012	On-time
Form 66	28.09.2012	27.10.2012	27.10.2012	On-time
Form 23	28.09.2012	19.10.2012	27.10.2012	On-time
Form 2	17.08.2012	31.08.2012	16.09.2012	On-time
Form 11NV	30.06.2012	27.08.2012	24.12.2011	Belated
Form 62	30.06.2012	30.07.2012	29.07.2012	Belated
Form 11NV	03.09.2012	02.03.2013	15.12.2012	Belated
Form 5INV	31.03.2012	31.07.2012	31.07.2012	On time

**CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**M/S. NATIONAL OXYGEN LIMITED**

We have examined the compliance of conditions of corporate governance by M/S. NATIONAL OXYGEN LIMITED for the year ended on 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The objective of our examination is to give our opinion on whether the company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing agreement entered into by the company with the listed stock exchanges of India.

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

On the basis of review and according to the information and explanation given to us and representation made to us by the Management, we state that to the best of our knowledge and belief the Company has complied in all material respects with the conditions of corporate governance stipulated in Clause 49 of the above-mentioned listing agreement.

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

Place: Chennai  
Date: 12.08.2013

for M/s. Lakshmi Subramanian & Associates  
Practising Company Secretaries

Lakshmi Subramanian  
Senior Partner  
C.P.No. 1087

**ANNEXURE C TO DIRECTORS REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Developments:**

Our company with its quality policy based on international quality of Standard of ISO 9001:2008, maintained its quality and that has helped to sustain in the competitive market inspite of severe recession affecting our customers. By its wide range of contacts and efficient management, the company could retain its customers and manages efficiently in both Gases and Windmill sectors.

**Opportunities:**

The customer base is varied, demand in any of the sectors provide business opportunity which can be exploited.

The implementation of the recently added project has resulted in high quality output, which has resulted in opening of new applications in auto parts and electronics industry.

**Threats:**

Continuous increase in Interest rates on Bank Credit Facilities will affect the margin.

**Segment wise of Product wise Performance:**

The Performance of the products manufactured by the company namely Industrial Gases are satisfactory and the only problem faced by the company is power interruption and power failures which are beyond our control. The over all working and performance of the Windmill is satisfactory.

**Risks and Concerns:**

Our main concern is, continuous competition from MNCs by reducing the price in the market, due to which the company has to reduce the price to retain its share in the market.

Regarding the Windmill Power generation, it depends on the seasonal wind and accordingly Power is generated as and when the wind is good.

**Internal Control Systems and their Adequacy:**

The company maintains its adequate internal controls to have efficient operations. Also the company maintains all statutory rules, regulations, laws as applicable from time to time and protection of resources and assets.

**Weakness:**

The small size of the Organisation undertaking an expansion at a different location immediately after the present expansion, resulting in huge debt exposes Financial Risk.

**Strength:**

Present strategy was to have a centralized production unit to get the benefit of larger scale of production and lower power tariff. Since the geographical spread of customer has increased and higher demand at longer distance and considering ever increasing transport cost, the additional production capacity plant is established at SIPCOT Industrial Growth Centre, Perundurai near Erode. The advantage is twofold. One is we will be able to save in distribution expenses and also cater to the new customer of that area, which presently being not serviced due to capacity constraint. Secondly, additional capacity for marketing to the extent of shifted customer to the new unit i.e. about 30 tpd will be available for the existing plant in Pondicherry, Chennai region and thus optimize distribution expenses for both the plant in addition to market capitalization.

The same Technology established and stabilized successfully has been duplicated in the Further Expansion.

The strategy in marketing is to have a varied customer base across different sector so that there will not be a marked effect on our sales even if one or the other sector has reduced consumption for whatever the reason.

Another important aspect in the industrial gas market is customer satisfaction. In addition, it is a critical input for the customer's productivity. Thus managing the vacuum insulated transport tankers available for liquid distribution is very critical in terms of return for investment and also efficiency of delivery. To have instantaneous data on the location of these tankers, satellite monitoring facility has been incorporated.



The Company is also having expertise in Fabricating Storage Tanks which are cost effective and provide storage at competitive cost.

As for the gaseous oxygen/nitrogen distribution, the strength is not only having huge cylinder population but also their efficient use. This is very important due to heavy investment done on cylinder. Thus cylinder wise and customer wise utilization is monitored continuously by special cylinder management software and it is giving very good results. Nearness to customer results in efficient Cylinder management.

Thus it is the combination of customer satisfaction, best utilization of available capital and human assets and continuously planning strategy for new development, we are always a step ahead of our competitors. And this is the reason; we have 55% of our market share from Government Organization both central and state on long term contract basis.

**Material developments in human resources / Industrial relations front:**

Being an ISO Company, training on all sectors are given to its employees periodically and motivated to work inline with the development of the industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service. The Company has the total employee strength of 122.

**ANNEXURE D TO DIRECTORS REPORT  
MANAGING DIRECTOR/ JOINT MANAGING DIRECTOR CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31<sup>st</sup> March, 2013, we G.N.Saraf, Chairman cum Managing Director and Rajesh Kumar Saraf, Joint Managing Director certify that

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee

significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**G.N.SARAF**  
Chairman & Managing Director

**RAJESH KUMAR SARAF**  
Joint Managing Director

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF NATIONAL OXYGEN LIMITED**

**1. Report on the Financial Statements :**

We have audited the attached financial statements of **NATIONAL OXYGEN LIMITED** as at 31st March 2013, which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements :**

Management is responsible for the preparation 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 Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**3. Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on

that date.

**5. Report on Other Legal and Regulatory Requirements :**

As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies' Act 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.;
- c) The *Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;*
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act' 1956;

Place : Chennai,  
Date : 30.05.2013.

**For SINGHI & CO.,  
Chartered Accountants  
(SUDESH CHORARIA)  
Partner  
Membership No. 204936  
FRNo.302049E**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in our Report of even date on the Accounts of NATIONAL OXYGEN LIMITED as at and for the year ended 31<sup>st</sup> March 2013)

- i)
  - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.
  - b) The Fixed Assets of the Company have been physically verified by the management, wherever possible, at the close of the year as confirmed by the management. As informed to us, no material discrepancy has come to notice on such physical verification.
  - c) The Company has not disposed off any substantial part of fixed assets during the year.
- ii)
  - a) The management has conducted Physical verification of Inventories at all its locations at reasonable intervals during the year ;
  - b) The procedures of physical verification of stock followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business ;
  - c) The company is maintaining proper records of inventory. As far as we can ascertain and according to the information and the explanations given to us, the discrepancies noticed between the physical stocks and book stocks were not material and the same have been properly dealt with in the books of account.
- iii)
  - a) As per the information & explanations provided to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
  - b) As per the information & explanations provided to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) On the basis of checks carried out during the course of audit and as per explanations given to us, in our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the sale of goods and services. During the course of our Audit, no major weakness has been noticed in the internal controls in these respects.
- v)
  - a) As per the information & explanations given to us, particulars of transactions that have been undertaken during the year in pursuance of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
  - b) In our opinion, and according to the information and explanations given to us, and as confirmed by the Company, all the transactions with each of such parties during the financial year have been entered into at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- vi) The company has not accepted any deposits from the public during the year, to which the provisions of Section 58-A , 58-AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply;
- vii) The company has a separate Internal Audit System . In our opinion, the Internal Audit system is commensurate with the size and nature of its business;
- viii) The Company has maintained proper Cost records as prescribed by the Central Government under Section 209 (1)(d) of the Companies Act 1956 for the products manufactured by it, but no detailed examination of such records have been carried out by us.
- ix)
  - a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, cess and other material statutory dues with the appropriate authorities;



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

- ix) b) According to the information and explanations given to us and the books and records examined by us, there was no undisputed amount outstanding as on 31<sup>st</sup> March 2013 in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, cess and other statutory dues for a period of more than six months from the date they became payable;
- ix) c) According to the records of the company and as per the information and explanations provided to us, the dues outstanding (net of Advances) in respect of Sales Tax, Income tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess etc., on account of any dispute, are given below :

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute pending
Central Excise Act, 1944	Excise duty demanded on the facility charges being charged	1.06	Sept'2000 to Aug'2001	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the partial favourable order passed by Commissioner (Appeals) for Excise duty demanded on the rental / facility charges being charged	4.91	Sept'2000 to Aug'2001	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the favourable order passed by Commissioner (Appeals) for Excise duty demanded on the rental / facility charges being charged	13.11	Aug'2002 to June'2004	CESTAT, Southern Bench
Central Excise Act, 1944	Cenvat credit availed on Cryogenic Tank being disputed	5.23	Mar'2005 to Nov'2005	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the favourable order passed by CESTAT in respect of 8% duty demanded on supply to ISRO under Nil rate of duty while availing Cenvat Credit	5.71	2000-01	Madras High Court
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.20	Sept'2006 to Mar'2007	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Holding / facility charges being charged	1.67	May'2006 to Aug'2006	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	4.09	2002-03 to 2004-05	CESTAT, Southern Bench

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.81	Nov'2005 to Aug'2006	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	11.32	2002-03 & 2003-04	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	6.95	2004-05 & 2005-06	CESTAT, Southern Bench
Customs Act, 1961	Differential Customs Duty on Import of Second hand Plant (including Interest & Penalty)	88.23	1994-95	CESTAT, Southern Bench

- x) The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi) Based on our audit procedures, and as per the information and explanations given to us by the management, the company has not defaulted in repayment of dues to financial institutions and banks;
- xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) The provisions of any special statute applicable to chit fund, nidhi or mutual benefit fund / societies are not applicable to the company;
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments, and hence, the requirements of Para 4 (xiv) of the above Order are not applicable to the company;
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions;
- xvi) The term loan raised during the year as well as the existing term loan has been utilized for the purpose for which it was availed;
- xvii) According to the information and explanations given to us, in our opinion, short term funds have not been used for long term purposes.
- xviii) During the year, the company has not made any preferential allotment of shares.
- xix) The company does not have any outstanding debentures during the year.
- xx) The management has disclosed on the end use of money raised from the public during the year by way of Rights Issue, and the same has been verified by us;
- xxi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For SINGHI & CO.,  
Chartered Accountants  
(SUDESH CHORARIA)  
Partner  
Membership No. 204936  
FR No. 302049E**

Place : Chennai,  
Date : 30.05.2013.



**BALANCE SHEET AS AT 31ST MARCH 2013**

	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	'2'	48,022,710	31,165,500
Reserves and Surplus	'3'	180,017,883	112,318,522
		228,040,593	143,484,022
<b>Share Application Money pending allotment</b>	'4'	-	30,000,000
<b>Non-Current Liabilities</b>			
Long-term Borrowings	'5'	220,357,630	85,339,068
Deferred Tax Liabilities (Not)	'6'	39,509,000	42,004,000
Other Long-term Liabilities	'7'	10,385,630	9,971,302
Long-term Provisions	'8'	2,822,048	3,606,000
		273,074,308	140,920,370
<b>Current Liabilities</b>			
Short-term Borrowings	'9'	14,609,470	5,312,721
Trade Payables	'10'	47,259,249	10,996,653
Other Current Liabilities	'11'	40,616,487	41,063,443
Short-term Provisions	'12'	9,158,510	4,864,312
		111,643,716	62,237,129
		<b>612,758,617</b>	<b>376,641,521</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
<b>Tangible Assets</b>			
Tangible Assets	'13'	303,624,430	294,362,202
Intangible Assets	'14'	2,278,486	2,094,261
Capital Work-in-Progress	'15'	221,908,367	9,338,037
Non-Current Investments	'16'	95,500	95,500
Long-term Loans and Advances	'17'	4,721,469	4,708,939
		532,628,252	310,598,939
<b>Current Assets</b>			
Inventories	'18'	4,389,709	3,412,363
Trade Receivables	'19'	36,156,180	31,035,426
Cash and Bank Balances	'20'	7,268,200	23,201,881
Short-term Loans and Advances	'21'	30,726,478	6,721,701
Other Current Assets	'22'	1,589,798	1,671,211
		80,130,365	66,042,582
		<b>612,758,617</b>	<b>376,641,521</b>
Summary of Significant policies	'1'		

The accompanying notes are an integral part of the financial statements

As per our report annexed.,

For SINGHI & CO.,

Chartered Accountants

Firm Regn. No. 302049E

(SUDESH CHORARIA)

Partner

Membership No. 204936

1, Philips Street, Chennai 600 001,

the 30th day of May, 2013

For and on behalf of the Board

G.N. SARAF

Chairman & Managing Director

RAJESH KUMAR SARAF

Joint Managing Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013**

	Note No.	Year ended 31.03.2013 Rs.	Year ended 31.03.2012 Rs.
<b>REVENUES</b>			
Gross Revenue from Operations	'23'	268,861,877	231,103,880
Less: Excise Duty		22,776,527	16,154,838
Net Revenue from Operations		246,085,350	214,949,042
Other Income	'24'	5,414,276	3,535,807
Total Revenues		251,499,626	218,484,849
<b>EXPENSES</b>			
Purchases of Stock-in-Trade		-	-
Cost of Materials Consumed	'25'	10,122,488	6,491,531
Changes in Inventories	'26'	75,985	57,417
Employee Benefits Expenses	'27'	28,631,339	23,558,657
Power and Fuel	'28'	105,826,736	85,693,231
Finance Costs	'29'	14,620,626	19,703,364
Depreciation and Amortization	'30'	34,757,971	35,873,801
Other Expenses	'31'	51,570,543	37,764,537
Total Expenses		245,605,688	209,142,538
Profit before Tax		5,893,938	9,342,311
Tax Expenses:	'32'		
Current Tax		2,500,000	720,498
Deferred Tax		(2,495,000)	748,000
Profit/ (Loss) for the year		5,888,938	7,873,813
<b>Earnings per Equity Share:</b>			
Basic (')		1.23	2.53
Diluted (')		1.41	2.53
Significant Accounting Policies	1'		

The accompanying notes are an integral part of the financial statements

As per our report annexed.,  
For SINGH & CO.,  
Chartered Accountants  
Firm Regn. No. 302049E  
(SUDESH CHORARIA)  
Partner

For and on behalf of the Board For  
G.N. SARAF  
Chairman & Managing Director

RAJESH KUMAR SARAF  
Joint Managing Director

Membership No. 204936  
1, Philips Street, Chennai 600 001,  
the 30th day of May, 2013

**NOTES TO THE FINANCIAL STATEMENTS****Nature of Operations:**

National Oxygen Limited was incorporated on 23rd December 1974 and is engaged in manufacturing of Industrial Gases and Wind Energy generation .

**Basis of Preparation :**

The financial statements have been prepared to comply in all material respects with the accounting principles generally accepted in India, including mandatory Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) under the historical cost convention and on an accrual basis. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous year .

All Assets and Liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria specified in the Revised Schedule VI to the Companies Act, 1956. The company has presently determined 12 months as the normal Operating cycle for the purpose of classification of current and non current Assets and Liabilities.

**Significant Accounting Policies**

- A RECOGNITION OF INCOME & EXPENDITURE:** The company follows the Mercantile system of accounting and recognizes Income and Expenditure on accrual basis, except those with significant uncertainties.
- B FIXED ASSETS:**
- a) Fixed Assets are stated at cost net of Central & Value added tax, depreciation and impairment. Cost of acquisition includes duties, taxes, incidental expenses, erection / commissioning expenses and interest etc. upto the date the asset is ready for its intended use.
  - b) The Carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital. Based on the review, the management concluded that there was no indication of any impairment as at the Balance Sheet date.
- C DEPRECIATION:**
- a) Depreciation is being provided on Straight Line Method as per the rates and the manner specified in Schedule XIV of the Companies Act, 1956. On Addition/Sales Depreciation is being provided on Pro-rata basis. Assets individually costing upto Rs.5000/- are fully charged off in the year of addition.
  - b) Lease hold Land is amortized over the lease period.
  - c) In case of Impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- D INVESTMENTS:**
- a) Quoted / Unquoted Long term Investments are stated at cost unless there is a decline, other than temporary, in the value thereof, which is duly provided for in the Accounts
  - b) Current quoted investments are stated at lower of cost or market value on individual investment basis.

**E INVENTORIES:**

- a) Finished Goods -- At cost (Computed on Annual Weighted Average) or net realisable value which ever is lower
- b) Raw Materials/Stores & Spare Parts – At Cost (Computed on FIFO basis) or net realisable value which ever is lower

**F FOREIGN CURRENCY TRANSACTIONS:**

Foreign currency transactions are recorded on the basis of exchange rate prevailing at the date of the transaction. Foreign currency monetary items are reported at the year end closing rates. Non monetary items which are carried at historical cost are reported using the exchange rate prevailing at the date of the transaction.

The exchange differences arising on settlement / year end restatement of monetary items are recognized in the Profit & Loss Account in the period in which they arise.

**G EMPLOYEE BENEFITS:**

Defined Benefits Plans: Gratuity liability is provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the statement of Profit & Loss Account as income or expenses.

Defined Contribution plans : Company's contribution to Provident Fund is charged to the Profit & Loss Account of the year when the contribution to the said fund is due. The Company has no obligations other than the contributions payable to the said Fund.

**H SALES :** Sales is net of discounts and rebate allowed to the customers.**I BORROWING COSTS :** Borrowing costs relating to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.**J TAXES ON INCOME :**

- a) Current Income Tax is provided as per the provisions of the Income tax Act 1981.
- b) Deferred Tax arising on account of timing difference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognised at the income tax rates enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assot is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realised in subsequent periods.

**K PROVISIONS:**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

**L CONTINGENT LIABILITIES:** Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of "Notes" to the accounts.

**2. Share Capital:****A. Authorized, Issued, Subscribed and Paid-up Share Capital**

	As at	
	31/03/2013 Rs.	31/03/2012 Rs.
<b>Authorized:</b> <b>50,00,000'</b> (Previous year '50,00,000') Equity Shares of ₹ 10/- each.	50,000,000	50,000,000
<b>Issued:</b> <b>48,02,271'</b> (Previous year '31,16,550') Equity Shares of ₹ 10/- each	48,022,710	31,165,500
	<b>48,022,710</b>	<b>31,165,500</b>
<b>Subscribed and Paid-up:</b> <b>48,02,271'</b> (Previous year '31,16,550') Equity Shares of ₹ 10/- each fully paid-up	48,022,710	31,165,500
	<b>48,022,710</b>	<b>31,165,500</b>

**B. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:**

	2012-13		2011-12	
	Nos.	Rs.	Nos.	Rs.
Equity Shares outstanding at the beginning of the year	3116550	31,165,500	3116550	31,165,500
Add: Equity Shares allotted during the year (a)	1,685,721	16,857,210	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<b>4,802,271</b>	<b>48,022,710</b>	<b>3,116,550</b>	<b>31,165,500</b>

- C. The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- D. For the year ended 31st March, 2013, the Board of Directors of the Company have recommended dividend of Rs.1 per share (Previous year ' Re.1 per share) to equity shareholders aggregating to 48,02,271 (Previous year 31,16,550). Together with the Corporate Dividend Distribution Tax of Rs.8,16,146 (Previous year 505582 ), the total payout will be ' Rs.56,18,417 (Previous year Rs.3622132) .

**Note to the Financial Statements (Contd...)****C. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below:**

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1 Rajesh Kumar Saraf	618,400	12.88%	231,034	7.41%
2 Gajanand Saraf	794,108	16.54%	218,142	7.00%
3 Sarita Saraf	286,198	5.96%	178,874	5.74%
4 Veena Devi Saraf	361,871	7.54%	157,040	5.04%
5 Saraf Housing Department Pvt. Ltd.	252,885	5.27%	-	-
<b>Total</b>	<b>2,313,462</b>	<b>48.19%</b>	<b>785,090</b>	<b>25.19%</b>

	As at	
	31/03/2013	31/03/2012
<b>3. Reserves and Surplus:</b>	Rs.	Rs.
Capital Reserve	4,000,000	4,000,000
Securities Premium Account		
Balance at the beginning of the year	10,410,050	10,410,050
Add : Received during the year	67,428,840	-
	77,838,890	10,410,050
General Reserve	67,588,248	66,988,248
	149,427,138	81,398,298
Surplus i.e. balance in Statement of Profit and Loss (b)	30,590,745	30,920,224
	<b>180,017,883</b>	<b>112,318,522</b>

(a). Additions and deductions since the last Balance Sheet under each head of Reserve are as under:

	As at			As at			As at		
	31/03/2011	Additions	Deductions	31/03/2012	Additions	Deductions	31/03/2013		
Capital Reserve	4,000,000	-	-	4,000,000	-	-	4,000,000		
Securities Premium Account	10,410,050	-	-	10,410,050	67,428,840	-	77,838,890		
General Reserve	66,988,248	2,000,000	-	66,988,248	600,000	-	67,588,248		
	<b>79,398,298</b>	<b>2,000,000</b>	<b>-</b>	<b>81,398,298</b>	<b>68,028,840</b>	<b>-</b>	<b>149,427,138</b>		

**Notes to the Financial Statements (Contd...)**

(b). Allocations and appropriations in Surplus i.e. balance in Statement of Profit and Loss are as under:

	As at	
	31/03/2013	31/03/2012
	Rs.	Rs.
Opening Balance	30,920,224	28,668,542
Add: Profit for the period	<u>5,888,938</u>	<u>7,873,814</u>
	<u>36,809,162</u>	<u>36,542,356</u>
Less: Interim Dividend on Equity Shares (including Dividend Distribution Tax)		3,622,132
Less: Proposed Dividend on Equity Shares (including Dividend Distribution tax Rs.816146)	5,618,417	-
Less: Transfer to General Reserve	600,000	2,000,000
Closing Balance	<u>30,590,745</u>	<u>30,920,224</u>
<b>4. Share Application Money pending allotment</b>		
Share Application Money pending allotment (From Promoters)	-	<u>30,000,000</u>
	-	<u>30,000,000</u>
<b>5. Long-term Borrowings</b>		
<b>Secured</b>		
Term Loans: (a)		
From Banks	251,557,630	117,970,749
Less Current Portion disclosed under current liabilities	<u>31,200,000</u>	<u>32,631,681</u>
	220,357,630	85,339,068
Vehicle Loan (a)		
Less Current Portion disclosed under current liabilities	-	723,561
	-	<u>723,561</u>
	<u>220,357,630</u>	<u>85,339,068</u>
<b>Unsecured</b>		
Other Loans and Advances	-	-
	<u>220,357,630</u>	<u>85,339,068</u>
(a). Nature of security for secured borrowings are given below: Term Loans are Secured by Equitable Mortgage of Land & Building and hypothecation of the assets acquired for the new Project and further secured by way of first charge on the block of other Assets of the company, present and future, and guaranteed by the Managing and Joint Managing Director of the Company. Vehicle Loans are secured by hypothecation of the specific Vehicles.		
<b>6 Deferred Tax Liabilities (Net)</b>		
Major components of Deferred Tax raising of temporary timing differences are given below:		
<b>Deferred Tax Liabilities</b>		
Depreciation and Amortization Expenses	40,617,000	43,112,000
Other Timing Differences	-	-
	<u>40,617,000</u>	<u>43,112,000</u>
<b>Deferred Tax Assets</b>		
Expenses/ Provisions Allowable	1,108,000	1,108,000
Other Timing Differences	-	-
	<u>1,108,000</u>	<u>1,108,000</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>39,509,000</u>	<u>42,004,000</u>

**Notes to the Financial Statements (Contd...)**

	As at	
	31/03/2013	31/03/2012
	Rs.	Rs.
<b>7 Other Long-term Liabilities</b>		
Trade Payables	-	-
Security and other Deposits	10,385,630	9,971,302
	<b>10,385,630</b>	<b>9,971,302</b>
<b>8 Long-term Provisions</b>		
Provision for Employee Benefits	2,822,048	3,606,000
Other Provisions	-	-
	<b>2,877,000</b>	<b>3,606,000</b>
<b>9 Short-term Borrowings :</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks (a)	14,609,470	5,312,721
	<b>14,609,470</b>	<b>5,312,721</b>
<b>10 Trade Payables</b>		
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Other Entities	47,259,249	10,996,653
	<b>47,259,249</b>	<b>10,996,653</b>
<b>11 Other Current Liabilities</b>		
Current maturities of long-term borrowings	31,200,000	33,355,242
Unpaid Dividends	1,096,521	1,688,257
Customers' Credit Balances and Advances against orders	132,541	348,775
Statutory dues Payable	3,111,796	1,453,264
Other Liabilities	5,075,629	4,217,905
	<b>40,616,487</b>	<b>41,063,443</b>
<b>12 Short-term Provisions</b>		
Employee Benefits	1,606,000	
Proposed Dividend (including Dividend Distribution Tax)	5,618,417	3,622,132
Provision for Current Tax (Net of Advance Tax)	1,934,093	1,242,180
	<b>9,158,510</b>	<b>4,864,312</b>

(a). Nature of security for secured borrowings are given below:

Cash Credit Loans from Bank are Secured by hypothecation of Finished Goods, Raw Materials, Work in Process, Stores & Spares and Book Debts of the Company and second charge on Fixed Assets of the Company and guaranteed by the Managing and Joint Managing Director of the Company



## Notes to the Financial Statements (Contd...)

## 13 Tangible Assets

## A. Summary of cost and net carrying amount of each class of tangible assets are given below:

Asset description	Cost		Accumulated Depreciation		Accumulated Impairment		Net Carrying Amount	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Leasehold Land	12,037,345	12,037,345	1,563,492	996,825	-	-	10,473,853	11,040,520
Freehold Land	2,613,022	2,613,022	-	-	-	-	2,613,022	2,613,022
Buildings	51,116,914	34,835,476	9,945,172	8,895,063	-	-	41,171,742	25,940,413
Plant and Equipment	413,654,176	457,482,347	174,366,450	214,791,199	-	-	239,287,726	242,691,148
Furniture and Fixtures	1,384,458	1,237,781	829,088	654,884	-	-	555,390	582,897
Vehicles	9,288,990	12,552,854	5,410,345	6,415,466	-	-	3,878,045	6,137,388
Office Equipment	9,814,828	8,673,470	4,170,176	3,316,656	-	-	5,644,652	5,356,814
	<b>499,909,733</b>	<b>529,432,295</b>	<b>196,285,303</b>	<b>235,070,093</b>	<b>-</b>	<b>-</b>	<b>303,624,430</b>	<b>294,362,202</b>

**Notes to the Financial Statements (Contd...)**

(a). Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31-03-2013 are as under:

**Original Cost**

Asset description	As at 31/03/2012	Additions	Disposals	Other Adjustments	As at 31/03/2013
Leasehold Land	12,037,345	-	-	-	12,037,345
Freehold Land	2,613,022	-	-	-	2,613,022
Buildings	34,835,476	16,281,438	-	-	51,116,914
Plant and Equipment	457,482,347	35,504,409	79,332,580	-	413,654,176
Furniture and Fixtures	1,237,781	146,677	-	-	1,384,458
Vehicles	12,552,854	4,360	3,268,224	-	9,288,990
Office Equipment	8,673,470	1,141,358	-	-	9,814,828
	<b>529,432,295</b>	<b>53,078,242</b>	<b>82,600,804</b>	<b>-</b>	<b>499,909,733</b>
Previous Year	514,579,840	18,455,951	3,603,496	-	529,432,295

**Accumulated Depreciation**

Asset description	As at 31/03/2012	Additions	Deductions Other Adjst.	As at 31/03/2013
Leasehold Land	25,566,667	1,563,402	-	27,130,069
Freehold Land	-	-	-	-
Buildings	8,895,063	1,050,109	-	9,945,172
Plant and Equipment	214,791,199	30,602,477	71,027,226	174,366,450
Furniture and Fixtures	654,884	174,184	-	829,068
Vehicles	6,415,466	1,042,954	2,047,475	5,410,945
Office Equipment	3,316,656	853,520	-	4,170,176
	<b>235,070,093</b>	<b>34,289,911</b>	<b>73,074,701</b>	<b>196,285,303</b>
Previous Year	203,021,956	35,524,836	3,476,700	235,070,093

**Notes to the Financial Statements (Contd...)****14 Intangible Assets**

Summary of cost and net carrying amount of each class of Intangible assets are given below:

Asset description	Cost		Accumulated Amortization		Accumulated Impairment		Net Carrying Amount	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Computer Software	3,261,063	2,608,778	982,577	514,517	-	-	2,278,486	2,094,261
	<b>3,261,063</b>	<b>2,608,778</b>	<b>982,577</b>	<b>514,517</b>	-	-	<b>2,278,486</b>	<b>2,094,261</b>

(a). Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2013 are as under:

**Original Cost**

Asset description	As at 31/03/2012	Additions	Disposals	Other Adjst.	As at 31/03/2013
Computer Software	2,608,778	652,285	-	-	3,261,063
	<b>2,608,778</b>	<b>652,285</b>	-	-	<b>3,261,063</b>
Previous Year	1,758,365	850,413	-	-	2,608,778

**Accumulated Amortization**

Asset description	As at 31/03/2012	Additions	Deductions/ Other Adjst.	As at 31/03/2013
Computer Software	514,517	468,060	-	982,577
	<b>514,517</b>	<b>468,060</b>	-	<b>982,577</b>
Previous Year	165,552	348,965	-	514,517

**Notes to the Financial Statements (Contd..)****15 Capital Work-in-Progress**

Capital Work-in-Progress consist of the following:

	As at 31/03/2013	As at 31/03/2012
	Rs.	Rs.
Construction Work-in-Progress	199,551,260	6,347,706
Expenditure during Construction pending allocation - (a)	<u>22,357,107</u>	<u>2,990,331</u>
	<b><u>221,908,367</u></b>	<b><u>9,338,037</u></b>
 (a). Detail of expenditure during construction pending allocation are given below:		
Expenditure during the year:		
Employee Benefits Expenses	1,648,900	83,481
Power and Fuel	-	177,580
Other Expenses:		
Rates & Taxes	96,000	135,110
Insurance	82,585	-
Travelling & Conveyance	1,278,783	167,833
Miscellaneous Expenses	672,610	81,104
Rights Issue Expenses	5,895,284	-
Finance Cost	<u>10,474,637</u>	<u>2,345,223</u>
	20,148,799	2,990,331
Add: Balance brought forward from previous year	<u>2,990,331</u>	-
	23,139,130	2,990,331
Less: Amount allocated to Fixed Assets	782,023	-
Balance pending allocation	<b><u>22,357,107</u></b>	<b><u>2,990,331</u></b>

**16 Non-Current Investments**

	Face value per Unit	31/03/2013 Nos.	31/03/2012 Nos.	Rs.	Rs.
<b>Investments - Other than Trade</b>					
i. <b>Investments in Equity Instruments</b>					
<b>Unquoted:</b>					
Pondicherry Agro Foods Pvt Ltd Associates	₹10	9,000	9,000	90,000	90,000
				<u>90,000</u>	<u>90,000</u>

**Notes to the Financial Statements (Contd...)**

	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
<b>ii. Investments in Government Securities</b>		
<b>Unquoted:</b>		
National Savings Certificate	5,000	5,000.00
Indira Vikas Patra	500	500.00
	<u>5,500</u>	<u>5,500.00</u>
	<b>95,500</b>	<b>95,500</b>
Aggregate amount of Unquoted Investments	<u>95,500</u>	<u>95,500</u>
<b>17 Long-term Loans and Advances:</b> (Unsecured, Considered Good)		
Capital Advances	-	4,421,470
Security Deposits	4,721,469	287,469
Other loans and advances	-	-
	<u>4,721,469</u>	<u>4,708,939</u>
<b>18 Inventories:</b>		
Raw Materials	2,612,374	1,266,455
(Stock in Transit Rs.Nil)		
Finished Goods	945,527	1,016,460
Stores and Spares	831,808	1,129,448
	<u>4,389,709</u>	<u>3,412,363</u>
<b>19 Trade Receivables:</b>		
Outstanding for a period exceeding six months (from the due date)		
Unsecured, Considered Good	5,045,728	5,676,668
Outstanding for a period less than six months		
Unsecured, Considered Good	31,110,452	25,368,768
	<u>36,156,180</u>	<u>31,035,426</u>
<b>20 Cash and Bank Balances:</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Banks:		
Deposits with less than 3 months initial maturity		
Current Accounts	217,352	866,627
Cash on hand	409,605	257,113
	<u>626,957</u>	<u>1,123,740</u>
<b>Other Balances</b>		
Balance with Banks:		
Unpaid Dividend Accounts	1,096,521	1,695,754
Margin Money Deposit Accounts	5,544,722	20,382,387
Deposits maturing within 12 months	-	-
	<u>6,641,243</u>	<u>22,078,141</u>
	<b>7,268,200</b>	<b>23,201,881</b>

**Notes to the Financial Statements (Contd...)**

	As at 31/03/2013	As at 31/03/2012
	Rs.	Rs.
<b>21 Short-term Loans and Advances</b>		
(Unsecured, Considered Good)	2,060,100	2,067,950
	<u>28,666,378</u>	<u>4,653,751</u>
	<b><u>30,726,478</u></b>	<b><u>6,721,701</u></b>
 (a). Other loans and advances mainly include prepaid expenses, advances to suppliers and service providers, advance and loans to employees, CENVAT/ VAT/ Service Tax credit receivable, etc.		
<b>22 Other Current Assets</b>		
Interest Accrued on Deposits	1,589,798	1,671,211
Other Receivables	-	-
	<u>1,589,798</u>	<u>1,671,211</u>
<b>23 Revenue from Operations:</b>		
a) Sale of Products		
Sale of Industrial Gases	249,613,733	212,053,978
Sale of Wind Energy	15,345,283	13,496,510
Sales of other products	513,245	811,125
	<u>265,472,261</u>	<u>226,361,613</u>
Loss: Excise Duty	<u>22,776,527</u>	<u>16,154,838</u>
	<u>242,695,734</u>	<u>210,206,775</u>
b) Facility Charges/ Cylinder holding charges etc	2,849,558	3,188,732
c) Other Operating Revenues		
Liabilities/ Provisions no longer required written back	184,299	875,542
Miscellaneous Receipts and Claims	355,759	677,993
Net Revenue from Operations	<b><u>246,085,350</u></b>	<b><u>214,949,042</u></b>
<b>24 Other Income:</b>		
Interest Income		
On Long-term Investments	-	-
On Deposits etc (a)	1,965,041	1,018,348
Gain / (Loss) on foreign currency transactions and translation (Net)	3,449,235	-
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	-	2,517,459
	<u>5,414,276</u>	<u>3,535,807</u>
 (a). Interest Income is gross of tax deducted at source amounting to Rs.1,92,005 (Previous year ' Rs.99588)		

## Notes to the Financial Statements (Contd...)

	Year ended	
	31/03/2013	31/03/2012
	Rs.	Rs.
<b>25 Cost of Materials Consumed:</b>		
Opening Stock	1,266,455	1,204,944
Add : Purchases	11,468,407	6,553,042
Less: Closing Stock	<u>2,612,374</u>	<u>1,266,455</u>
<b>Total</b>	<b><u>10,122,488</u></b>	<b><u>6,491,531</u></b>
<b>Details of Raw Materials Consumed</b>		
Calcium Carbide	10,122,488	6,491,531
Others	-	-
<b>26 Changes in Inventories:</b>		
<b>Opening Inventories</b>		
Finished Goods	1,016,460	1,061,156
Stock-in-Trade	-	-
	<u>1,016,460</u>	<u>1,061,156</u>
<b>Less: Closing Inventories</b>		
Finished Goods	945,527	1,016,460
Stock-in-Trade	-	-
	<u>945,527</u>	<u>1,016,460</u>
	70,933	44,696
Add: Increase/ Decrease of Excise Duty on Inventories	<u>5,052</u>	<u>12,721</u>
	<b><u>75,985</u></b>	<b><u>57,417</u></b>
<b>27 Employee Benefits Expenses:</b>		
Salaries and Wages	24,471,547	19,421,148
Contribution to Provident and other Funds	2,140,333	1,784,835
Employees Welfare Expenses	<u>3,668,359</u>	<u>2,436,155</u>
	30,280,239	23,642,138
Less: Transfer to Capital Work-in-Progress	<u>1,648,900</u>	<u>83,481</u>
	<b><u>28,631,339</u></b>	<b><u>23,558,657</u></b>
<b>28 Power and Fuel:</b>		
Power and Fuel	105,826,736	85,870,811
Less: Transfer to Capital Work-in-Progress	-	177,580
	<b><u>105,826,736</u></b>	<b><u>85,693,231</u></b>
<b>29 Finance Costs:</b>		
Interest Expenses	23,764,672	20,704,553
Other Borrowing Costs	<u>1,330,591</u>	<u>1,344,034</u>
	25,095,263	22,048,587
Less: Transfer to Capital Work-in-Progress	<u>10,474,637</u>	<u>2,345,223</u>
	<b><u>14,620,626</u></b>	<b><u>19,703,364</u></b>
<b>30 Depreciation and Amortization Expenses:</b>		
Depreciation	34,289,911	35,524,836
Amortization Expenses	468,060	348,965
	<b><u>34,757,971</u></b>	<b><u>35,873,801</u></b>

**Notes to the Financial Statements (Contd...)**

	<b>Year ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>
	Rs.	Rs.
<b>31 Other Expenses:</b>		
Consumption of Stores and Spares	5,483,806	6,734,433
Repairs to Buildings	5,342,877	2,038,483
Repairs to Machinery	4,012,847	2,904,882
Rates and Taxes	378,377	603,370
Rent	1,219,500	492,000
Insurance	635,658	917,585
Auditors' Remuneration - (a)	146,068	154,340
Travelling & Conveyance Expenses	5,981,484	5,287,845
Freight and Forwarding Expenses (Net)	12,364,146	7,610,161
Bad Loans, Advances and Debts written off/ (written back) (Net)	1,260,257	737,932
Prior Period Items (Net)	(55,988)	17,252
Donation	2,311,000	1,100,000
Rights issue Expenses	5,895,284	-
Directors' Remuneration	3,180,000	3,180,000
Directors' Sitting Fees	60,000	37,000
(Gain)/ Loss on foreign currency transactions and translation (Net)	-	133,715
Loss/ (Profit) on Fixed Assets sold / discarded (Net)	2,899,249	-
Miscellaneous Expenses	8,481,240	6,199,586
	<u>59,595,805</u>	<u>38,148,584</u>
Less: Transfer to Capital Work-in-Progress	<u>8,025,262</u>	<u>384,047</u>
	<u><b>51,570,543</b></u>	<u><b>37,764,537</b></u>
(a). Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	95,506	95,506
Taxation matters	33,708	33,708
Company Law matters	16,854	25,126
	<u>146,068</u>	<u>154,340</u>
<b>32 Tax Expenses</b>		
<b>Current Tax</b>		
Current Tax for the year	2,500,000	2,100,000
Less: MAT Credit Entitlement	-	-
Current Tax adjustments for earlier years (Net)	-	(1,379,502)
	<u><b>2,500,000</b></u>	<u><b>720,498</b></u>
<b>Deferred Tax</b>		
Deferred Tax for the year	(2,495,000)	748,000
Deferred Tax adjustments for earlier years (Net)	-	-
	<u><b>(2,495,000)</b></u>	<u><b>748,000</b></u>



**Notes to the Financial Statements (Contd...)****33 Disclosure required by Accounting Standard (AS) 15 (Revised) on "Employee Benefits":**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

**A. Gratuity - Defined Benefit Scheme (based on actuarial valuation):**

	<b>Year ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>
	(Rs. in Lacs)	
<b>(a). Change in Defined Benefit Obligations:</b>		
Present value of Defined Benefit Obligations at the beginning of the year	36.06	28.77
Current Service Cost	3.09	2.09
Interest Cost	2.86	2.01
Actuarial Gain/ (Loss)	2.97	7.96
Benefits Paid	(0.70)	(4.77)
Present value of Defined Benefit Obligations at year end	<u>44.28</u>	<u>36.06</u>
<b>(b). Change in Fair value of Plan Assets:</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Actuarial Gain/ (Loss)	-	-
Contributions	0.70	4.77
Benefits Paid	(0.70)	(4.77)
Fair value of Plan Assets at the year end	<u>-</u>	<u>-</u>
<b>(c). Amount recognised in Balance Sheet:</b>		
Fair value of Plan Assets at the year end	-	-
Present value of Defined Benefit Obligations at year end	44.28	36.06
Amount recognised in Balance Sheet at year end	<u>(44.28)</u>	<u>(36.06)</u>
<b>(d). Expenses recognised in Statement of Profit and Loss:</b>		
Current Service Cost	3.09	2.09
Interest Cost	2.86	2.01
Actuarial Gain/ (Loss)	2.97	7.96
Expenses recognised in Statement of Profit and Loss during the year	<u>8.92</u>	<u>12.06</u>

	Year ended	
	31/03/2013	31/03/2012
	(Rs. in Lacs)	
<b>(e). Investments details of Plan Assets:</b>		
Government Securities	-	-
<b>(f). Principal Actuarial Assumptions:</b>		
Discount rate	8.00%	7.00%
Salary increase	4.00%	4.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

\* The Management has relied on the overall actuarial valuation conducted by the actuary

	As at	
	31/03/2013	31/03/2012
<b>34 Contingent Liabilities and Commitments</b>		
<b>A. Contingent Liabilities</b>		
(a). Claims against the company not acknowledged as debt:		
Excise Duty / Service Tax	5,903,781	5,903,781
Customs Duty	8,823,578	8,823,578
Others (specify nature)	-	72,100
(b) Outstanding Letters of Credit and Bank Guarantees	19,322,154	26,011,183
<b>B. Commitments</b>		
(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	-	112,982,500

### 35 Segment Reporting

#### A. Primary Segment Reporting (by Business Segment):

(a) Segments have been identified in line with the Accounting standard on Segment Reporting (AS-17), taking into account the organisational structure, risk-return profile of individual business and internal reporting system of the Company. Details of the businesses included in each of the segments are as under:

- Industrial Gases - Manufacture of Industrial Gases
- Windmill - Generation of Windmill energy.

(b). The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are follows:

	Year ended 31-03-2013			Year ended 31-03-2012		
	Industrial Gases	Wind Mill	Total	Industrial Gases	Wind Mill	Total
<b>REVENUE</b>						
External	230,200,010	15,345,283	245,545,293	199,898,997	13,496,510	213,395,507
Inter Segment	-	-	-	-	-	-
Total	230,200,010	15,345,283	245,545,293	199,898,997	13,496,510	213,395,507
<b>RESULTS</b>						
Segment Results	14,849,411	2,364,945	17,214,356	29,667,016	641,778	30,308,794
Unallocated Corporate Income			(1,965,041)			(2,517,459)
Unallocated Corporate Expenses			5,270,249			1,254,340
Finance Costs			(14,620,626)			(19,703,364)
Tax Expenses			(5,000)			(1,468,497)
Profit for the period			5,893,938			7,873,814
<b>OTHER INFORMATION</b>						
<b>Assets:</b>						
Segment Assets	574,039,050	37,527,545	611,566,596	335,944,209	38,056,736	373,999,944
Unallocated Corporate Assets			1,192,021			2,641,677
Total Assets			612,758,617			376,641,621
<b>Liabilities:</b>						
Segment Liabilities	337,942,486	-	337,942,486	243,667,771	-	243,667,771
Unallocated Corporate Liabilities			274,816,131			132,973,750
Total Liabilities			612,758,617			376,641,621
Capital Expenditure	266,300,857	-	266,300,857	28,644,401	-	28,644,401
Depreciation and Amortization	24,378,207	10,379,764	34,757,971	25,494,037	10,379,764	35,873,801
Other Non-Cash Expenses	-	-	-	-	-	-

Income, Revenue, Asset and Liability reported using geographical segment within India is disclosed parallel Geographical segment disclosure are equated.

	Year ended	
	31/03/2013	31/03/2012
	(Rs.)	
<b>36 Earning per Share (EPS)</b>		
Profit/ (Loss) for the period Rs.	5,888,938	7,873,814
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	4,802,271	3,116,550
Weighted average number of Diluted Equity Shares outstanding	4,164,930	3,116,550
Face value of per share	10	10
Basic EPS (₹)	1.23	2.53
Diluted EPS (₹)	1.41	2.53

**37** The company has not been informed by any supplier of being covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest revision/payments have been made by the Company to such creditors, if any, and no disclosures are made in these accounts.

**38 Related Party Disclosures:**

A. Disclosure on Related Parties as required by AS-18 "Related Party Disclosures" are given below:

a) Key Management Personnel of the Company :-

- i) Shri. G.N. Saraf                      Managing Director
- ii) Shri. Rajesh Kumar Saraf        Joint Managing Director
- iii) Smt. Veenadevi Saraf

b) Enterprises over which certain Key Management Personnel (K.M.P) exercise significant influence :-

- i) Pondicherry Agro Foods Pvt. Ltd. (PAF)
- ii) East Coast Acetylene Pvt. Ltd. (ECA)

c) Relatives of Key Management Personnel of the Company

- B. The particulars given above have been identified on the basis of information available with the company.

	2012-2013			2011-2012		
	PAF	ECA	TOTAL	PAF	ECA	TOTAL
<b>Transactions for year ended 31st March:</b>						
Sales of Products	-	34,881	34,881	-	37,109	37,109
Purchase of Goods	-	113,529	113,529	-	56,877	56,877
<b>Outstanding balances as at 31st March:</b>						
Trade Receivables	-	-	-	-	-	-
Trade Payables	-	86,269	86,269	-	17,193	17,193
Investments	90,000	-	90,000	90,000	-	90,000

	<u>31/03/2013</u>	<u>31/03/2012</u>
<b>C Key Managerial Personnel:</b>		
Managerial Remuneration (including perquisites) *	3,743,375	3,955,304
*Excluding gratuity, leave encashment provisions		
Rent paid	1,200,000	480,000

- 39 Foreign currency exposure in respect of Sundry Creditors amounting to Rs.116.94 Lacs (Previous Year Rs. Nil) are not hedged as on the Balance Sheet date..

**40** Detail of Sales, Raw Material Consumption, Inventories, etc. under broad heads are given below:

A.	C.I.F. value of imports by the Company		
	Raw Materials	<u>2012-2013</u>	<u>2011-12</u>
	Calcium Carbide	6,959,984	5,004,382
	Capital Goods	116,988,050	-
B.	Expenditure in foreign currency during the year:		
	Travelling Expenses	665,995	903,738

C. Value of Raw Materials, Stores and Spares consumed during the year ended:

	Value Rs.		Percentage (%)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Raw Materials:				
Imported	7,670,385	4,692,630	75.78%	72.29%
Indigenous	2,452,103	1,798,901	24.22%	27.71%
	<u>10,122,488</u>	<u>6,491,531</u>		
Stores and Spares:				
Imported	-	-	-	-
Indigenous	5,483,806	6,188,894	100.00	100.00
	<u>5,483,806</u>	<u>6,188,894</u>		

**41** The previous figure has been reclassified / rearranged / regrouped wherever necessary

As per our report annexed.,  
For SINGHI & CO.,  
Chartered Accountants  
Firm Regn. No. 302049E

(SUDESH CHORARIA)  
Partner

Membership No. 204936  
1, Philips Street, Chennai 600 001,  
the 30th day of May, 2013

For and on behalf of the Board For  
G.N. SARAF  
Chairman & Managing Director

RAJESH KUMAR SARAF  
Joint Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year ended 31/03/2013</b>	<b>Year ended 31/03/2012</b>
	<b>Rs.</b>	<b>Rs.</b>
Profit before Tax	5,893,938	9,342,311
Adjustment for :		
Finance Costs	14,620,626	19,703,364
Depreciation and Amortization Expenses	34,757,971	35,873,801
(Profit) / Loss on sale of Fixed Assets (Net)	2,899,249	(1,898,611)
Interest & Dividend Income	(1,965,041)	(1,018,348)
Operating profit before working capital changes	56,206,743	62,002,517
<u>Changes in working Capital:</u>		
Inventories	(977,346)	528,725
Trade and other Receivables	(29,044,116)	(480,748)
Long Term Liabilities and Provisions	(369,624)	(774,750)
Trade and other Payables	38,013,375	(1,612,674)
Cash generation from Operations	53,829,032	59,683,070
Payment of Direct Taxes	(1,808,087)	(1,713,637)
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>62,020,945</b>	<b>57,969,433</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES]</b>		
Purchase of Fixed Assets	(266,300,857)	(28,644,401)
Long term Advances made	(12,530)	(3,305,930)
Sale of Fixed Assets	6,626,854	2,644,255
Interest Received	1,920,041	1,018,348
Dividend Received	45,000	-
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(257,721,492)</b>	<b>(28,287,728)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Application Money pending allotment	-	30,000,000
Proceeds from Rights Issue	54,286,050	-
Proceeds from Long-term Borrowings	167,650,243	9,579,182
Repayment of Long-term Borrowings	(32,631,681)	(31,268,996)
Proceeds/ Repayment of Short-term Borrowings (Net)	9,296,749	1,315,766
Finance Cost Paid	(14,620,626)	(19,703,364)
Dividend Paid (including Dividend Distribution Tax)	(4,213,868)	(3,622,132)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>179,766,867</b>	<b>(13,699,544)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(15,933,681)</b>	<b>15,982,161</b>
Add : Opening Cash and Cash Equivalents	23,201,881	7,219,720
Closing Cash and Cash Equivalents	<b>7,268,200</b>	<b>23,201,881</b>

**Notes:**

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 'Cash flow Statement' as specified in the Companies (Accounting Standard) Rule 2006.
- Figures have been regrouped/ rearranged wherever necessary.

As per our report annexed.,  
For SINGHI & CO.,  
Chartered Accountants  
Firm Regn. No. 302049E  
(SUDESH CHORARIA)  
Partner

Membership No. 204936  
1, Philips Street, Chennai 600 001,  
the 30th day of May, 2013

For and on behalf of the Board For  
G.N. SARAF  
Chairman & Managing Director

RAJESH KUMAR SARAF  
Joint Managing Director

**NATIONAL OXYGEN LIMITED**

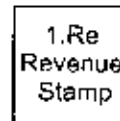
Regd. Office: 80 (Old No. 141) Greams Road, Chennai - 600 006.

**PROXY FORM**

I / We ..... of ..... being a Member(s) of National Oxygen Limited, hereby appoint ..... of ..... or failing him / her ..... as my / our Proxy to vote for me / us on my / our behalf, at the Thirty Eighth Annual General Meeting of the Company to be held on Wednesday, the 25th Day of September, 2013 at 9.30 a.m. at Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai - 600 008 and at any adjournment thereof.

Signed this ..... day of ..... 2013.

Address:



Signature.....

Membership Folio No.

DP. ID/CL.ID

No. of shares held :

**Note:** 1. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

2. Proxy need not be a member.

**NATIONAL OXYGEN LIMITED**

Regd. Office: 80 (Old No. 141) Greams Road, Chennai - 600 006.

**ATTENDANCE SLIP**

I hereby record my Presence at the Thirty Eighth Annual General Meeting of the Company being held at Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai - 600 008 on Wednesday, the 25th Day of September, 2013 at 9.30 a.m.

Full Name of the Member attending / Proxy

Signature

Folio No./DP.ID/CL.ID

No. of Shares held.

**NOTE:**

Members attending the meeting in person are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. No attendance slip will be issued at the time of Meeting.





**NATIONAL OXYGEN LIMITED**

Regd. Office: 80 (Old No. 141) Greaves Road, Chennai - 600 005

**FORM FOR ECS MANDATE / BANK ACCOUNT DETAILS**

Members authorization to receive dividends through Electronic Credit Clearing Mechanism

1. First / Sole Shareholder's Name	
2.(a) Registered Folio No. (If shares are not dematerialized)	
(b) DP ID No. Client ID No. (If shares are dematerialized)	
3 Particulars of Bank Account of first/sole member	
a. Bank Name	
b. Branch Name	
c. Address of the Branch with PIN Code	
d. Telephone Number and Fax Number	
e. 9 digit MICR Code number of the Bank and Branch as appearing on the MICR cheques issued by the Bank	
f. Account type (Savings/Current/Cash Credit) with code 10/11/13	
g. Account Number as appearing on the Cheque Book.	
h. Ledger No. / Ledger Folio No. (if appearing on the cheque book/pass book)	

Please attach a cancelled blank cheque or photocopy of a cheque issued by your Bank for verification of the above details.

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold National Oxygen Limited responsible. I/We understand that the Company also reserves the right to send the dividend payable to me / us by a physical dividend warrant on account of unforeseen circumstances beyond the control of the Company that may affect the payment of dividend through ECS.

Yours faithfully

Place:

Date:

(Name and signature of First / Sole Shareholder)

Certified that the particulars furnished above are correct as per our records

Place:

Date:

Signature of the Branch Manager

**Note:**

- Please send the duly filled in mandate form to:
  - the Depository Participant who is maintaining your demat account in case you hold shares in dematerialized form.
  - the Registrars & Share transfer Agent - M/s. Camco Corporate Services Ltd., "Subramanian Buildings, 1, Club House Road, Chennai - 600 002, in case you hold shares in physical form.
- Kindly fill in all columns and send it to the Registrar, i.e. M/s. Camco Corporate Service Ltd. before 16<sup>th</sup> September 2013. Incomplete forms shall not be entertained.
- The ECS facility is available at present at certain specified cities only.



**The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : [grievancesredressal@nolgroup.com](mailto:grievancesredressal@nolgroup.com).**



# National Oxygen Limited

Manufacturers of : Liquid & Gaseous Oxygen, Liquid & Gaseous Nitrogen,  
Liquid & Gaseous Medical Oxygen & Dissolved Acetylene Gas

Registered Office : No. 80, (Old No.141), Greams Road, Chennai - 600 006.

Phone : 044 - 28290707 Fax : (044) 28290770

E-mail : sales@nolgroup.com, contact@nolgroup.com, Website : www.nolgroup.com

## FORM A

Format of covering letter of the annual audit report to be filed with the  
Stock exchanges

1	Name of the Company	National Oxygen Limited
2	Annual financial statements for the year ended 31st March 2013	31.03.2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	NA
5	To be signed by- -CEO/Managing Director -Auditor of the company - Audit Committee Chairman	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>



An ISO 9001 : 2000 Company

*Breathing Life Into Industry*

- FACTORY 1 : Pondy - Villupuram Road, Thiruvandar Koil, Puducherry - 605 102.  
Phone : (0413) 2640446 to 48 Fax : (0413) 2640181 E-mail : nolponddy@nolgroup.com
- FACTORY 2 : Trichy - Pudukottai Road, Mathur - 622 515. Pudukottai District. Phone : (0413) 2660400  
E-mail : noltrichy@nolgroup.com
- FACTORY 3 : R-5, Sipcot Industrial Growth Centre, Perundurai, Erode - 638 052, Tamilnadu,  
Ph : (04294) 234145 / 234146 Fax : (04294) 234127 E-mail : nolperundurai@nolgroup.com