



National Oxygen Limited

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

Registered Office : No. 38, (Old No. 141), Greaves Road, Chennai - 600 006.

Phone : 044 - 28290707 Fax : (044) 28290770

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

CIN:-L24111TN1974PLC006819

Date:-21.09.2018

**No. 1B, 1st Floor, Arihant Jashn,
New No. 38, Old No. 121,
Rukmani Lakshmipathy Salai,
Egmore, Chennai - 600 008.**

Bombay Stock Exchange
P.J. Towers,
Dalal Street,
Mumbai-400001

Sub: Copy of the approved Annual Report of 43rd Annual General Meeting held on 19th September, 2018 pursuant to Clause 34 of the SEBI (LODR) Regulations, 2015

Dear Sir,

We are submitting herewith the copy of the approved Annual Report of 43rd Annual General Meeting of the Company held on 19th September, 2018. Kindly take the same on record in terms of above clause 34 of the SEBI Listing Obligations and disclosure requirements (Regulation) 2015.

This is for your information and record

Thanking you,

Yours faithfully,


Compliance Officer 



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 |

43rd Annual Report 2017-18



National Oxygen Limited

Breathing Life into Industry

National Oxygen Limited

FORTY THIRD (43) ANNUAL REPORT - 2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. GAJANAND SARAF
Chairman

Shri. RAJESH KUMAR SARAF
Managing Director

Shri. DEVMOHAN MOHUNTA
Independent Director

Shri. SHANMUGAVADIVEL SIVA
Independent Director

Company Secretary :
KRISHNASWAMY VENKATESWARAN

Smt. VEENA DEVI SARAF
Director (up to 10.02.2018)

Smt. SARITASARAF
Additional Director (Since 10.02.2018)

Shri. ANIL SETH
Independent Director (up to 26.05.2018)

Smt. MONA MILAN PAREKH
Additional Director (Since 26.05.2018)

Chief Financial Officer :
P.M. PRASANTH (up to 29.11.2017)

P. RAMALINGA SRINIVASAN
(Since 29.11.2017)

AUDIT COMMITTEE

Shri. SHANMUGAVADIVEL SIVA
Independent Director (Chairman)
Shri. ANIL SETH
Independent Director (up to 26.05.2018)

Shri. DEVMOHAN MOHUNTA
Independent Director
Smt. MONA MILAN PAREKH
Additional Director (since 26.05.2018)

STAKE HOLDERS RELATIONSHIP COMMITTEE

Shri. GAJANAND SARAF
Executive Director (Chairman)
Smt. VEENA DEVI SARAF
Non-Executive Director (up to 10.02.2018)

Shri. SHANMUGAVADIVEL SIVA Non-Independent Director
Smt. MONA MILAN PAREKH
Additional Director (Since 26.05.2018)

NOMINATION & REMUNERATION COMMITTEE

Shri. SHANMUGAVADIVEL SIVA
Independent Director (Chairman)
Shri. ANIL SETH
Independent Director (up to 26.05.2018)

Shri. DEVMOHAN MOHUNTA
Independent Director
Smt. MONA MILAN PAREKH
Additional Director (Since 26.05.2018)

Statutory Auditors :
M/s. Jitendra K. Agarwal & Associates
Chartered Accountants
209-Hans Bhawan
1, Bahadur Shah Zafar Marg
New Delhi-110002

Secretarial Auditors :

M/s Lakshmmi Subramanian & Associates
Company Secretaries
Murugesu Naicker Office Complex,
No.81, Greaves Road, Chennai-600006

Internal Auditors :

R.Siva Subramanian
Chartered Accountant
New No.11 (Old No.15) Anand Apartment
9th Street, R.K.Salai
Mylapore, Chennai-600004

Principal Banker :

Punjab National Bank
No.9, Nungambakkam High Road,
Nungambakkam
Chennai-600034

REGISTRARS & SHARE TRANSFER AGENTS :

M/s. CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No.1 Club House Road, Chennai-600 002
Phone: 044-28460390
E-mail: cameo@cameoindia.com

Stock Exchanges Where Company's Securities are listed

BSE Limited

REGISTERED OFFICE, ADMN OFFICE & WORKS

No.1B, 1st Floor, Arihant Jashn
38 (121), Rukmani Lakshmi Pathy Salai, Egmore, Chennai- 600008
Email: contact@nolgroup.com
Website: www.nolgroup.com
Investor Relations Email ID: grievanceredressal@nolgroup.com
Corporate Identity Number: L24111TN1974PLC006819

National Oxygen Limited**CIN : L24111TN1974PLC006819**

No.1B, 1st Floor, Arihant Jashn, 38 (121) Rukmani Lakshmi Pathy Salai, Egmore
Chennai-600008

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 43rd Annual General Meeting of National Oxygen Limited will be held on Wednesday the 19th September, 2018 at "North Madras AryaVysyaSangam" Vasavikalyan Mahal, 43-A, Bharathiar Street, Vivekananda Nagar, Chennai-600118 at 10.00 a. m to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon,
2. To appoint a Director in the place of Shri. Gajanand Saraf (having Din. 00007320) who retires from office by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS

3. To consider the appointment of Ms. Sarita Saraf, as a Director of the Company

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions of the Companies Act, 2013, if any, and Articles Of Association of the company, Ms. Sarita Saraf (holding DIN: 01028027), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 10th February, 2018 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from the member in writing and based on the recommendation of the Nomination & Remuneration committee and Board, be and is hereby appointed as the Director of the Company."

"RESOLVED FURTHER THAT Mr. Rajesh Kumar Saraf, Managing Director of the company be and is hereby authorized to do all such acts, deeds and things as may be required for the above resolution."

4. To consider the appointment of Ms. Mona Milan Parekh, as an Independent Director of the Company

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provision of the Companies Act, 2013, if any, and Articles Of Association of the company, Ms. Mona Milan Parekh (holding DIN: 08134503), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 26th May, 2018 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom a notice has been received from the member in writing and based on the recommendation of the Nomination & Remuneration committee and Board, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of appointment."

"RESOLVED FURTHER THAT Mr. Rajesh Kumar Saraf, Managing Director of the company be and is hereby authorized to do all such acts, deeds and things as may be required for the above resolution."

5. To consider and approve the investment limit u/s 186 of the Companies Act 2013

To consider and if thought fit to pass with or without modification, the following resolution as special resolution

"RESOLVED THAT pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals as may be necessary, the consent of Company be and is hereby accorded to the Board of Directors of the Company to make investment and acquire by way of subscription, purchase or otherwise, securities of any other body corporate, give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate, provided that the aggregate amount of such investments, loan, and guarantee outstanding at any time shall not exceeds rupees one hundred crore"

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loan or guarantee or providing securities within the aforesaid limits including with the power to transfer and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution."

6. To consider and approve the reappointment of Mr.D.M.Mohunta as an independent director of the company.

To consider and if thought fit to pass with or without modification, the following resolution as special resolution

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of

the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Devmohan Mohunta (holding DIN 01233780), aged 78 years, a non-executive Director of the Company, who is eligible for re-appointment, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and as recommended by the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f. 1st April 2019 and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

By and on behalf of Board of Directors
For National Oxygen Limited

Sd/-
Rajesh Kumar Saraf
Managing Director

Place: Chennai
Date: 11-08-2018

NOTES:

1. A member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board resolution on the letter head of the company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized power of Attorney, authorizing their representatives to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
5. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 (the Act), and the Register of contracts or arrangements in which the directors are interested, maintained under section 189 of the Act, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 12th September, 2018 to Wednesday, 19th September, 2018 (both days inclusive) for the purpose of AGM.
8. 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.
9. 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.

SEBI (LODR) Regulations 2015 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 : contact@nolgroup.com

10. Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002 quoting their folio number.
11. Pursuant to section 72 of the Companies Act 2013, Shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
12. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the meeting.
13. All documents referred to in the accompanying notice and the explanatory statement requiring the approval of the members at the AGM and other statutory registers shall be available for inspection at the Registered office of the Company during business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of AGM
14. Profile of Director re-appointment is given below.

Name of the Director	Mr.GajanandSaraf
Din	00007320
Age	83 years
Date of appointment	01.09.2010
Experience	43 years
No. of shares held as on 31.03.2018	794110
Directorship in other public companies	1
Chairman/Member of committees of company	1

Relationship with any other Director	Rajesh Kumar Saraf and Sarita Saraf
Brief History	He is a promoter of the company and is occupying the position of Director from its incorporation. As a Director, he oversees the Key function of Manufacture, Marketing & Administration. He drives the continuous renewal of Key process systems and policies across the company in client relationship management, Sales effectiveness, delivery excellence, quality, talent management and leadership development. Since, he is a director retire by rotation and being eligible, he offer himself for reappointment.

15. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act 2013 has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors.
16. The route map showing directions to reach the venue of the 43rd AGM is annexed
17. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.
18. **Voting through Electronic Means**

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 43rd Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

The Company will provide the e-voting facility through CDSL. The e-voting procedures are set out below:

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 16.09.2018 at 9.00 A.M. and ends on 18.09.2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date (record date) 12.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Shareholders should log on the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab
- (iv) Now, select the "NATIONAL OXYGEN LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now enter your user ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the image verification as displayed and click on Login
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for National Oxygen Limited
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
19. Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:
- (i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" ie one share – one vote unlike one person one vote principle, further, as per the provision of the Companies Act, 2013, demand for poll will not be relevant.
 - (ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, levoting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
 - (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.
 - (iv) The facility for voting through ballot form shall be made available to all the shareholders who could not exercise their vote through e-voting. The ballot paper in Form MGT-12 is being sent to all the members, along with this report. The voting rights of Members shall be in proportion their shares of the paid up equity share capital of the Company as on 13.09.2018.

A Member desiring to exercise vote by ballot paper should complete the Ballot Form attached with this report and sent it to: National Oxygen Limited, Flat No.1B, First Floor, Arihant Jashn (Old No.121) New No.38, Rukmani Lakshmi pathy Salai, Egmore, Chennai-600008.

Please return the form duly completed through post or courier, so as to reach the company on or before the close of working hours of between 10.00 a.m and 5.00 p.m on 18.09.2018

The facility of voting through ballot form shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot form

- (v) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares on the cut-off date i.e. 12.09.2018 may obtain the login ID and password by sending an email to investor@cameoindia.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote
- (vi) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days after the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nolgroup.com and website of CDSL <http://www.evotingindia.com> and also forward the same to the Bombay Stock Exchange of India Limited simultaneously, where the Company's shares are listed.

By and on behalf of Board of Directors
For National Oxygen Limited

Sd/-
Rajesh Kumar Saraf
Managing Director

Place: Chennai

Date: 11-08-2018

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No.3**

Sarita Saraf aged 50 years, was appointed as an additional director at the Board Meeting held on 10.02.2018 on the basis of the recommendation of the Nomination and Remuneration committee and she holds office upto the conclusion of the ensuing Annual General Meeting. The company has received a notice from a member proposing Ms. Sarita Saraf as a candidate for the office of a director of the company. Ms. Sarita Saraf is not disqualified from being appointed as a director of the company in terms of section 164 of the Companies Act 2013 and has given her consent to act as a director.

Accordingly the Board recommends resolution relating to the appointment of Ms. Sarita Saraf. A brief details of Ms. Sarita Saraf is given below:

Name of the Director	Ms. Sarita Saraf
Din	01028027
Age	50 years
Date of appointment as an additional Director	10.02.2018
Experience in business field	15 years
No. of shares held as on 31.03.2018	286198
Directorship in other public companies	1
Chairman/Member of committees of company	Nil
Relationship with any other Director	Gajanand Saraf, Rajesh Kumar Saraf

None of the Directors and Key Managerial Person of the company and their relatives is concerned or interested, financial or otherwise, in this resolution except Ms. Sarita Saraf, Rajesh Kumar Saraf and Gajanand Saraf.

Item No.4

Ms. Mona Milan Parekh, aged 53 years, was appointed as an additional director at the Board Meeting held on 26.05.2018. The company has received a notice from a member proposing Ms. Mona Milan Parekh as a candidate for the office of a director of the company. Also Ms. Mona Milan Parekh has given declaration under section 149(7) of the companies act, 2013 that she fulfills the conditions specified in section 149(6) of the companies act 2013 read with rules made there under for her appointment as an independent director of the company and is independent of the management.

The Board, based on the experience / expertise declared by Ms. Mona Milan Parekh, is of the opinion that he has the requisite qualification to act as an independent director of the company.

Accordingly, the board recommends the resolution for the appointment of Ms. Mona Milan Parekh as the independent director of the company, for the approval by the shareholders of the company. A brief details of Ms. Mona Milan Parekh is given below:

Name of the Director	Ms. Mona Milan Parekh
Din	08134503
Age	53 years
Date of appointment as an additional Director	26.05.2018
Experience in business field	15 years
No. of shares as on 31.03.2018	Nil
Directorship in other public companies	Nil
Chairman/Member of committees of company	Nil
Relationship with any other Director	NO

Ms. Mona Milan Parekh does not hold by herself or for any other person on a beneficial basis, any shares in the company as per declaration given by her.

Ms. Mona Milan Parekh holds membership in the Audit committee and Stakeholders Relationship committee and Nomination and Remuneration committee of the company.

None of the Directors and Key Managerial Person of the company and their relatives is concerned or interested, financial or otherwise, in this resolution except Ms. Mona Milan Parekh.

Item No.5

In view of sale of wind mill and premises of Greams Road property the company has spare funds. For better utilization of these liquid funds in the hands of company may be invested into securities. It may also require to giving loan, guarantee or provide security during course of business in the interest of company. Board of Directors in their meeting held on 11.08.2018 decided to seek approval of shareholders to make investment or give loan, guarantee or provide security exceeding the sixty percent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more. As per Section 186 of the Companies Act, 2013 your company is required to obtain approval by passing special resolution in general meeting in case it proposes to make investment or give loan, guarantee or provide security exceeding the sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is more. In view of better

utilization of funds available with the company it is proposed to pass enabling resolution authorizing board of directors of the company to make investment or give loan, guarantee or provide security within the limits as mentioned in proposed resolution.

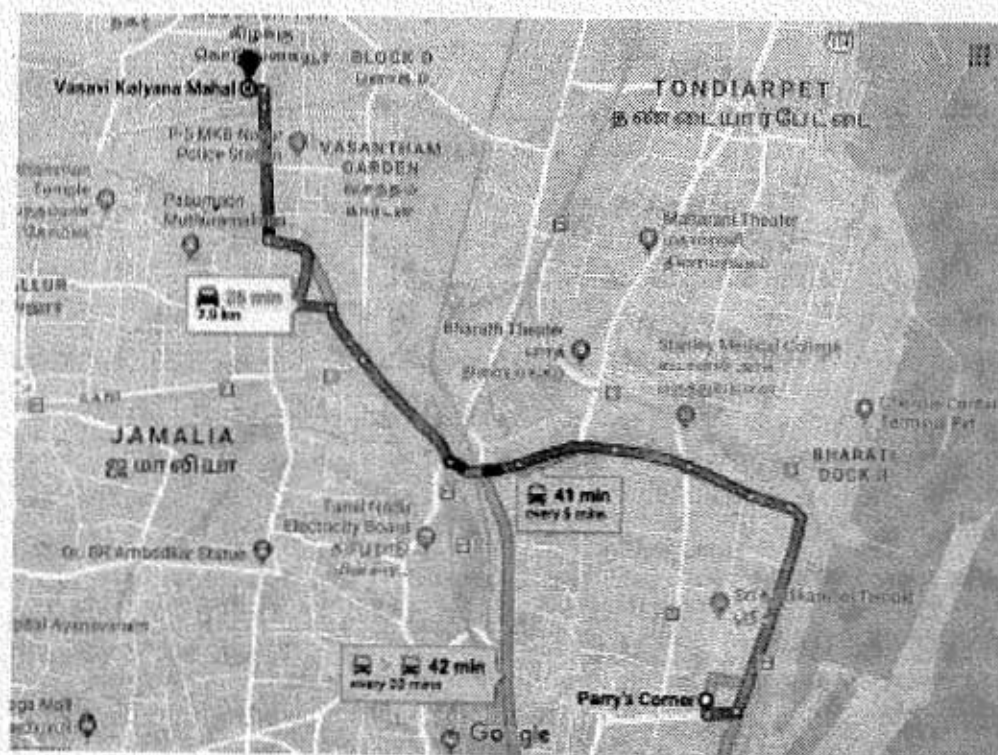
None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By and on behalf of Board of Directors

Place: Chennai
Date: 11-08-2018

Sd/-
Rajesh Kumar Saraf
Managing Director

Route Map



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 43rd Annual Report of National Oxygen Limited along with Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL SUMMARY

	2017-2018 (Rs in lakh)	2016-2017 (Rs in lakh)
Profit / (Loss) before interest and depreciation.	780.90	493.64
Less: Interest	589.92	646.25
Profit before depreciation	190.98	(152.61)
Less Depreciation	378.72	391.16
Profit /(Loss) before tax	(187.74)	(543.77)
Exceptional Item	0	0
Tax- current year (Provision)	0	0
Tax-Deferred tax (Provision)	(0.77)	(2.61)
MAT Credit Entitlement	0	0
Other Comprehensive Income	(1.60)	(5.45)
Net profit for the year transferred to Reserve account	(185.37)	(535.71)
Profit /(Loss) carried over to Balance Sheet	(185.37)	(535.71)

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, the Company has incurred loss of Rs.185.37 lakh as against loss of Rs.535.71 lakh in the previous year.

During the year under review there is no change in the nature of activity of the Company

BUSINESS PERFORMANCE:

The company Manufactures industrial gases both in liquid and gaseous form. The order book position is comfortable since the company was able to tie up long term contracts with the customers. The plant at Pondicherry and Perundurai is also performing at its full rated capacity. The company is working at its market front since the supply of the companies product has increased compared to the previous year.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was Rs.4,80,22,710. No additions and alterations to the capital were made during the financial year 2017-18

DIVIDEND

Considering the current and accumulated losses, your Board of Directors do not recommend any dividend to the shareholders for the financial year ended 31.03.2018.

TRANSFER OF PROFIT TO RESERVES

During the year your company has met net loss of Rs186.97 lakhs. Hence the question of transfer of profit to reserve does not arise.

MATERIAL CHANGES AND COMMITMENTS OF THE COMPANY

There are no material changes and events during the financial year.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:

Details of loans, guarantees and investments covered under the provision of section 186 of the companies act 2013 are given below:

Particular	Number	Amount
Loan Given	Nil	Nil
Guarantee Given	Nil	Nil
Investment made in Unquoted Equity Instruments & Government bonds		
1-Pondicherry Agro Foods Pvt Limited	9000 equity shares of Rs.10/-each	90000.00
2-TCP Limited	470 equity shares of Rs.100/- each	47000.00
3-National Savings Certificate	Nil	5000.00
4-Indira Vikaspatra	Nil	500.00
5-Cauvery Power Trading Chennai Pvt Ltd	100000 equity shares of Rs.10/-each	1000000

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company doesn't have any subsidiaries, associates and joint venture companies

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134 (3) (m) of the Companies Act 2013 are attached as Annexure -1:

DIRECTORS AND KEY MANAGERIAL PERSONNEL**BOARD COMPOSITION**

The Board is well constituted with composition of three executive and three non- executive independent directors in the meeting

Category	Name of Director
Executive Directors	Shri Gajanand Saraf Shri Rajesh Kumar Saraf Ms. Sarita Saraf
Independent Directors	Shri Shanmugavadivel Siva Shri Devmohan Mohunta Ms. Mona Milan Parekh

BOARD COMMITTEES

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee

DIRECTORS**Retirement by Rotation**

In terms of Section 152 of the Companies Act 2013, Mr. Gajanand Saraf, retires by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Gajanand Saraf offered himself for re-appointment.

Brief profile of Mr. Gajanand Saraf is given in the Notice of forthcoming Annual General Meeting of the Company.

During the month May, 2018 Mr. Anil Seth Independent Director resigned on 26th May, 2018

The Board placed on record its appreciation for his services during his tenure as Director of the Company.

Appointment of Ms. Sarita Saraf as Additional Director

Ms. Sarita Saraf was appointed as an additional director at the Board Meeting held on 10.02.2018 on the basis of the recommendation of the Nomination and Remuneration committee and she holds office upto the conclusion of the ensuing Annual General Meeting. The company has received a notice from a member proposing Ms. Sarita Saraf as a candidate for the office of a director of the company. Ms. Sarita Saraf is not disqualified from being appointed as a director of the company in terms of section 164 of the Companies Act 2013 and has given her consent to act as a director. Brief profile of Ms. Sarita Saraf is given in the Notice of the AGM

Appointment of Ms. Mona Milan Parekh

Ms. Mona Milan Parekh was appointed as Additional Director in the Independent Category subject to the approval of the shareholders, on 26th May, 2018 and her term shall expire at this Annual General Meeting. Pursuant to section 203 of the Companies Act 2013, her term of appointment is for five years. Brief profile of Ms. Mona Milan Parekh is given in the Notice of the AGM

Reappointment of Independent Director

Dr. Devmohan Mohunta was appointed as an Independent Director of the company pursuant to Section 149 and 152 of the Companies Act 2013 for five years effective from 1st April 2014 and his term shall expire on 31st March 2019. Pursuant to the provisions of Section 152(2) of the Companies Act, 2013 for reappointment of the independent Director for further term of five years upto 31st March 2024, a special resolution is required. Hence, in this regard, a special resolution and explanatory statement are given in the notice of the AGM.

Independent Directors, Declaration

All Independent Directors have given declarations that they meet the criteria of the independence as laid down in section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation 2015 in respect of financial year ended 31st March 2018 which has been relied on by the Company and placed at the Board Meeting.

KEY MANAGERIAL PERSONAL

The Key Management Personnel of the company are as under

- | | |
|-----------------------------------|---------------------------|
| 1. Mr. Rajesh Kumar Saraf | - Managing Director |
| 2. Mr. Krishnaswamy Venkateswaran | - Company Secretary |
| 3. Mr. P. Ramalinga Srinivasan | - Chief Financial Officer |

STATUTORY AUDITORS:

M/s JitendraK.Agarwal & Associates, Chartered Accountants, (Firm Registration Number:318086E) were appointed as statutory auditors of the company for the term of five years in 42nd Annual General Meeting held on 28th August 2017, and they continue to be the Auditors.

COMMENT ON STATUTORY AUDITOR REPORT

There are no qualifications, reservations, remarks or disclaimers made by M/s. JitendraK.Agarwal & Associates, Statutory Auditor, in their audit report. The Statutory Auditor have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2017-18 and has given unmodified report

SECRETARIAL AUDITOR

Pursuant to the requirements of Section 204(1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, Ms. Lakshmmi Subramanian of Mrs Lakshmi Subramanin & Associates, Practicing Company Secretaries (Membership No.3534) was appointed to conduct secretarial audit for the financial year 2017-18.

The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure-2

COMMENT ON SECRETARIAL AUDITOR REPORT

The Comments given by the Secretarial Auditor and action taken by the company are given below

1. demating of promoters shares
Action is being taken
2. There have been a few cases of delay in filing of certain e-forms with MCA due to technical problem
Action is being taken to avoid such delay in future
3. transfer of shares relating to unclaimed dividend for more than seven consecutive years to IEPF authority due to non reconciliation of shares by RTA
RTA has been requested to take steps to transfer such shares to IEPF authority
4. Since the net worth eroded, fresh resolution for enhancing the limit u/s 186 is being obtained in the ensuing AGM
Since complied

INTERNAL CONTROL AND ITS ADEQUACY

The internal auditors of the Company regularly conduct audit and submitted their quarterly reports,

which are reviewed by the Audit Committee. The auditor also reported in his IFC report the Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

RELATED PARTY TRANSACTIONS U/S 188 (1)

During the year 2017-18, the Company had entered into transaction with related parties pursuant to the provisions of section 188 of the Companies Act, 2013. The particulars of contracts or arrangements with related parties are given Annexure-3 (Form AOC-2)

EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extracts of Annual Return in form MGT-9 as provided under sub-section (3) of section 92 of the Companies Act is annexed herewith as Annexure- 4to this report.

RISK MANAGEMENT POLICY

The risk management is overseen by the Audit Committee of the company on a continuous basis. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available in the company website www.nolgroup.com

PERSONNEL

The information required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, forms part of this report as Annexure-5

The information of employees as per rule 5(2) of the said act for the year is "NIL"

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

The company has not constituted a separate committee under the Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Act 2013. However the company has Zero tolerance for sexual harassment at work place.

During the financial year 2017-18, the company has not received any sexual harassment complaints

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

CORPORATE GOVERNANCE REPORT

Since your company's paid up equity capital and Net worth is less than Rs.10 Crores and Rs.25 Crores respectively, the provisions of revised clause 49 relating to Corporate Governance vide SEBI Circular Number CIR/CFD/POLICY CELL/7 2014 dt.15th September 2014 are not applicable to the Company

NUMBER OF MEETINGS OF BOARD

5 (five) Meetings of the Board of Directors of the Company were held during the year 2017-18, which were on 20.05.2017(adjourned meetings 23.05.2017 & 30.05.2017), 28.07.2017, 28.08.2017 (adjourned meeting 09.09.2017), 29.11.2017 and 10.02.2018.

The maximum time gap between any two consecutive meetings did not exceed 120 days

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration of the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman of the Board and the Executive Directors was carried out by the Independent Directors.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This code helps the Company to maintain the standard of business ethics and ensure compliance with the legal requirements of the company

The code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance officer is responsible to ensure adherence to the Code by all concerned

The code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders

All the Board Members and the Senior Management personnel have confirmed compliance with the Code

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 34(3), 18(3) and 46 of (SEBI (LODR) Regulation 2015, the Board of Directors had approved the policy on vigil mechanism / whistle blower and the same was hosted on the website of the Company. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year

POLICY OF DIRECTORS APPOINTMENT AND REMUNERATION

Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of the Act are covered under the Board's policy formulated by the Company and is available on the Company website www.nolgroup.com

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company has incurred loss in the year 2017-18 and therefore Constituting of a CSR Committee and its compliance in accordance with the provisions of Section 135 of the Act, does not arise.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals.

HUMAN RESOURCES

The well-disciplined workforce which has served the company lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and Developments

Presently the company Manufactures industrial gases both in liquid and gaseous form. The order book position is comfortable since the company was able to tie up long term contracts with the customers. The plant at Pondicherry and Perundurai is also performing at its full rated capacity. The company is working at its market front since the supply of the companies product has increased compared to the previous year.

Opportunities and Threats

Our company project has resulted in high quality output which has resulted to tie up long term contracts with the customers. Our main concern is, continuous competition from other manufacturers in the same line of production

Segment wise performance

Presently the company has one manufacture segment to manufacture industrial gases both in liquid and gaseous form at plants situated at Pondicherry and Perundurai. The plants situated at both places are performing at full rated capacity. The products are very useful to hospitals and industry sector. Our products are in competitive position in the market.

Risks and Concerns:

Our main concern is, continuous competition from other manufacturers in the same line of production by reducing the price in the market due to which the company has to reduce the price to retain its share in the market.

Internal control system 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.

Financial performance with respect to operational performance

Summary of statement of profit and loss account is given below

Revenue:

Your company net revenue increased by 7.42% due to increase of sales while comparing the previous year and other income has also increased by 568.9%

Expenses:

Raw Material consumption increased by 29.67% due to increase of productivity

Purchase of stock in trade -Nil

Change in inventories decreased by 73.27% due to change in the production cycle

Employees benefit expenses increased by 5.32% due to salary increase to existing employees and new recruitment of staffs.

Depreciation cost decreased by 3.18% due to Change of Accounting policy as per the Companies Act, 2013 and inputs of capital assets.

Finance cost decreased by 8.71% due to decrease of borrowings.

Power and fuel increased by 15.80% due increased of productivity

Other expenses increased by 9.00% due to cost increase of other overheads.

Total expenses increased by 5.49% which is reasonable while comparing the production and cost escalation of variable and fixed overheads

Material developments in human resources / Industrial relations front:

Training on all sectors are given to its employees periodically and motivated to work in line 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 102.

Listing with Stock Exchange

The shares of the company are listed in the Bombay Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirm:-

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That they had prepared the Annual Accounts on a going-concern basis;
- (v) That they laid down internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating properly.
- (vi) That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contributions made by employees at all levels, towards the continued growth and prosperity of your company.

Directors also take this opportunity to convey their thanks to all the valued shareholders of the company and to the Bankers for their valuable services.

By Order of the Board,

PLACE : Chennai
DATE : 11-08-2018

Gajanand Saraf
Chairman

ANNEXURE-1**Details relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:****(A) Conservation of energy**

- (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
- (iv) Capital investment on energy conservation equipments: NIL

(B) Technology absorption

- (i) The efforts made towards technology absorption: NIL
- (ii) Benefits derived
 - Production improvement : NIL
 - Cost Reduction: NIL
 - Product development or Import substitution; NIL
- (iii) Imported Technology; NIL
- (iv) Expenditure Incurred on Research and Development; NIL

(C) Foreign exchange earnings and outgo:

	2017-18	2016-17
Earnings in Foreign Exchange:	NIL	NIL
Expenditure in Foreign Exchange:	NIL	NIL
CIP Value of imports	70,07,459/-	54,03,126/-

On behalf of the Board

Sd/-

G.N. Saraf
 Chairman

 Place : Chennai
 Date : 11-08-2018

ANNEXURE-2
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To the Members

National Oxygen Limited

No.1B, 1st Floor, ArihantJashn

No.38 (121) RukmaniLakshmipathySalai

Egmore, Chennai -600 008

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by National Oxygen Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015.

- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (v) The Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015.
- (vi) Secretarial Standard with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (vii) In our opinion and as identified and informed by the Management of the Company the following laws as being specifically applicable to the Company
 1. Explosives Act, 1884
 2. Explosives Rules, 2008
 3. Gas Cylinder Rules, 2004
 4. Static & Mobile pressure vessels (unfired) Rules 1981
 5. Drugs & Cosmetics Acts & Rules
 6. The Legal Metrology Act, 2009

It is reported that during the period under review, the Company had complied with the provisions of the Act, Rules, Regulations and Guidelines as mentioned (i) to (vi) above and point no. (vii) reported under separately and except the following:

1. demating of promoters shares
2. There have been a few cases of delay in filing of certain e-forms with MCA due to technical problem
3. transfer of shares relating to unclaimed dividend for more than seven consecutive years to IEPF authority due to non-reconciliation of shares by RTA
4. Since the net worth eroded, fresh resolution for enhancing the limit u/s 186 is being obtained in the ensuing AGM

We further report that there were no actions / events in pursuance of

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

- (d) Foreign Exchange Management Act, 1999 and the rules and regulations.
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Requiring compliance thereof by the Company during the Financial Year under review

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, the Company has adequate systems and control mechanism in the company to monitor and ensure compliance with applicable laws as given under (vii) above, other general laws including Industrial Laws, Human Resources and Labour Laws and Environmental Laws and in certain areas the process is being strengthened.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is generally well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, proper compliances were made for changes in the Board.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, no events have occurred during the year, which have a major bearing on the Company's affairs.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-

Lakshmmi Subramanian

Senior Partner

FCS No. 3534 - C.P.No.1087

Place: Chennai

Date: 31-07-2018

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

ANNEXURE-A

To the Members
NATIONAL OXYGEN LIMITED
No.1B, 1st Floor, Arihant Jashn
No.38(121) Rukmani LakshmipathySalai
Egmore, Chennai -600 008

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc..
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-

Lakshmmi Subramanian

Senior Partner

FCS No. 3534 - C.P.No.1087

Place: Chennai

Date: 31-07-2018

ANNEXURE-3**Details of Related Party Transactions****Form No. AOC-2**

(Pursuant to clause (h) of Sub-section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
 - a) Name(s) of the related party and nature of relationship: NIL
 - b) Nature of contracts / arrangements / transactions: NIL
 - c) Duration of the contracts / arrangements / transactions: NIL
 - d) Salient terms of the contracts or arrangements or transactions including the value: NIL
 - e) Justification for entering into such contracts or arrangements or transactions: NIL
 - f) Date(s) of approval by the Board: NIL
 - g) Amount paid as advances, if any: NIL
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:
 - a) Names of the related party and nature of relationship:
 - i. Pondicherry Agro Foods Pvt.Ltd.
 - ii. Saraf Housing Development Pvt.Ltd
 - iii. ECA Gases Pvt. Ltd (ECA)
 - iv. Approach Marketing Pvt.Ltd (AMP)
 - v. G.N.Saraf, Director
 - vi. Rajesh Kumar Saraf, Managing Director
 - vii. Veena Devi Saraf, Director
 - viii. Relative of Key Management Personnel of the Company
 - b) Nature of transaction
 - i) Purchase of Goods from -ECA Gases Pvt.Ltd
 - ii) Interest paid to- Approach Marketing Pvt.Ltd and Saraf Housing Development Private Limited
 - iii) Rent paid to directors residence
 - c) Duration of transaction: One year Transaction
 - d) Salient terms of the transaction including the value, if any:

i) Purchase of goods from ECA Gases Pvt.Ltd at market value for	Rs.11,93,401/-
ii) Interest paid to Saraf Housing Development Private Limited	Rs. 99,75,686/-
iii) Interest paid to Approach Marketing Private Limited	Rs. 90,93,834/-
iv) Unsecured Loan from Saraf Housing Development Pvt	Rs. 8,11,28,911/-
v) Unsecured Loan from Approach Marketing Pvt Ltd.	Rs.10,92,27,050/-
vi) Trade Payable to ECA Gases Private Limited	Rs. Nil
vii) Rent paid director residence	Rs. Nil
 - e) Date of approval by the Board, if any:
 - f) Amount paid as advance, if any: NIL

Place : Chennai
Date: 11-08-2018

On behalf of the Board of Directors
Sd/-

G.N.Saraf
Chairman

ANNEXURE-4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L24111TN1974PLC006819
Registration Date	23.12.1974
Name of the Company	National Oxygen Limited
Category / Sub-Category of the Company	Public
Address of the Registered office and contact details	Flat No.1B, First Floor, ArihantJashn (Old No.121) New No.38, Rukmani Lakshmipathy Salai, Egmore, Chennai-600008
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" 1, Club House Road, Chennai-600 002 Ph:- 044-28460390- 6 Lines Fax:- 044- 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Industrial Gases (Oxygen and Nitrogen	2011	99.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	0	0	0	0	0
2	0	0	0	0	0

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

[illegible]

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture	0	0	0	0	0	0	0	0	0
Capital Funds									
i) Others (specify)	0	0	0	0	0	0	00	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	00	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	113726	2000	115726	2.40	83450	2000	85450	1.77	-0.63
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	527464	343485	870949	18.13	539870	332585	872455	18.16	0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	966474	15320	981794	20.44	993480	15320	1008800	21.01	0.56
c) Others (specify)									
(C-i) Clearing member	213	0	213	0.01	350	0	350	0.01	0.01
(C-ii) Trust									
(C-iii) Foreign Nationals									
(C-iv) HUF	16467	1965	18432	0.38	16644	1965	18609	0.38	0.00
(C-v) Non-Resident Indians	7216	0	7216	0.15	8666	0	8666	0.18	0.03
Others	0	1710	1710	0.35	0	1710	1710	0.03	0
Sub-total (B)(2):-	1631560	364480	1996040	41.56	1642460	353580	1996040	41.56	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1631560	364480	1996040	41.56	1642460	353580	1996040	41.56	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4437491	364780	4802271	100	4448391	353880	4802271	100	0

ii) Share Holding of Promoters

SL. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total	
1	Rajesh Kumar Saraf Purchase-2.3.18 At the end of the year 31.03.18	484362 361871	10.08 7.53	0	846233	17.61	0	7.53
2	Gajanand Saraf	365227	7.60	0	365227	7.60	0	0
3	Veena Devi saraf Transmission to Rajesh Kumar saraf	361871 361871	7.53 7.53	0 0	0	0	0	-7.53
4	Sarita Saraf	286198	5.96	0	286198	5.96	0	0
5	Saraf Housing Development Pvt Limited	252885	5.26	0	252885	5.26	0	0
6	Gajanand Saraf-HUF	229555	4.78	0	229555	4.78	0	0
7	Gajanand Saraf-HUF	199326	4.15	0	199326	4.15	0	0
8	ECA Gases Pvt.Ltd	184346	3.84	0	184346	3.84	0	0
9	Pondichery Agro Foods Pvt. Ltd.	161825	3.37	0	161825	3.37	0	0
10	Rajesh Kumar Saraf-HUF	134338	2.79	0	134338	2.79	0	0
11	Mamta Gupta	62784	1.30	0	62784	1.30	0	0
12	Banitha Agarwal	33600	0.70	0	33600	0.70	0	0
13	Saritha Devi Gupta	28014	0.58	0	28014	0.58	0	0
14	Savita Kainya	21000	0.44	0	21000	0.44	0	0
15	Arun Kumar Kainya Jt.1 Savita Kainya	900	0.02	0	900	0.02	0	0
	Total	2805931	58.43	0	2806231	58.43	0	0

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

No Change during the financial year 2017-18

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	F I Dadabhoy-JT1-P F Dadabhoy At the beginning of the year- 01.04.17 At the end of the year-31.03.2018	158100	3.2921	162900	3.39
2	Manoharlal S At the Beginning of the year- 01.04.17 At the end of the year-31.03.2018	177189 177189	3.6896 3.6896	177189 177189	3.6896 3.6896
3	Saffiya Banu At the beginning of the year- 01.04.17 At the end of the year-31.03.2018	95652 95652	1.9918 1.9918	95652 95652	1.9918 1.9918
4	Sicgil India Limited At the beginning of the year 01.04.2017 At the end of the year- 31.03.2018	93000	1.9365	62316	1.29
5	Thakur Prasad At the beginning of the year 01.04.2017 At the end of the year- 31.03.2018	92665 92665	1.9296 1.9296	92665 92665	1.9296 1.9296
6	S S Sundaram At the beginning of the year 01.04.2017 At the end of the year- 31.03.2018	78276 78276	1.6299 1.6299	78276 78276	1.6299 1.6299

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	S. Dakshayani				
	At the beginning of the year 01.04.2017	82936	1.7270	82936	1.7270
	At the end of the year- 31.03.2018	82936	1.7270	82936	1.7270
8	Abdul Rasheed				
	At the beginning of the year 01.04.2017	64596	1.3451	64596	1.3451
	At the end of the year- 31.03.2018	64596	1.3451	64596	1.3451
9	R F Dadabhoy-Jt.1-F L Dadabhoy				
	At the beginning of the year 01.04.2017	54000	1.1244		
	At the end of the year- 31.03.2018			55500	1.15
10	N F Dadabhoy Jt. F L Dadabhoy				
	At the beginning of the year 01.04.2017	54000	1.1244	54000	1.1244
	At the end of the year - 31.03.2018			59100	1.23

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	GajanandSaraf				
	At the beginning of the year-1.04.17	365227	7.60	365227	7.60
	At the end of the year-31.03.2018	365227	7.60	365227	7.60
	GajanandSaraf – HUF				
	At the beginning of the year1.4.17	229555	4.78	229555	4.78
	At the end of the year-31.03.2018	229555	4.78	229555	4.78
2.	GajanandSaraf – HUF				
	At the beginning of the year-1.04.17	199326	4.15	199326	4.15
	At the end of the Year-31.03.2018	199326	4.15	199326	4.15
	Rajesh Kumar Saraf				
	At the beginning of the year-1.04.17	484362	10.07		
	At the end of they year-31.03.2018	846233	17.61	846233	17.61
	Rajesh Kumar Saraf-HUF				
	At the beginning of the year-1.04.17	134338	2.79	134338	2.79
	At the end of the year-31.03.2018	134338	2.79	134338	2.79
	Veena Devi Saraf				
	At the beginning of the year-1.04.17	361871	7.53	0	0
	At the end of the year-31.03.2018				
	Anil Kumar Seth	0	0	0	0
	DevmoohanMohunta	0	0	0	0
	S.Shanmugavadivel	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	246920421	187811766		434732187
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)	246920421	187811766		434732187
Change in Indebtedness during the financial year				
- Addition		12544195		
- Reduction	47630799			35086604
Net Change	47630799	12544195		35086604
Indebtedness at the end of the financial year				
i) Principal Amount	199289622	200355961		399645583
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	199289622	200355961		399645583

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl.No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Mr. Rajesh Kumar Saraf- MD Provident Fund Contribution Mr. Rajesh Kumar Saraf-MD Other perquisites Mr. Rajesh Kumar Saraf- MD	30,00,000 21,600 1,67,306
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify...		Nil
5	Others, please specify		Nil
	Total (A)		31,88,906
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of Directors	Total Amount
1	3. Independent Directors - Fee for attending board / committee meetings - Commission - Others, please specify	Sitting fees Shanmugavadivel Anil Kumar Seth Devmoohan Mohunta	10,750 3,500 4,500
	Total (1)		18,750
	4. Other Non-Executive Directors - Fee for attending board / committee meetings - Commission - Others, please specify	Sitting fees Smt. Veena Deve Saraf	6,000
	Total (2)		6,000
	Total (B)=(1+2)		24,750
	Total Managerial Remuneration		32,13,656
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		60,000	5,51,235	6,11,235
			Nil	Nil	Nil
			Nil	Nil	Nil
2	Stock Option		Nil	Nil	Nil
3	Sweat Equity		Nil	Nil	Nil
4	Commission - as % of profit - others, specify...		Nil	Nil	Nil
5	Others, please specify		Nil	Nil	Nil
	Total (A)		60,000	5,51,235	6,11,235

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

PLACE : Chennai
DATE : 11-08-2018

Sd/-
G.N.Saraf
Chairman

ANNEXURE-5

The information under section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Executive Directors	Ratio to Median Remuneration
Mr. Rajesh Kumar Saraf- Managing Director	18.25

- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Directors, Chief Executive Officer, Chief
Financial Officer and Company Secretary Nil

- c) The percentage increase in the median remuneration of employees in the financial year:

- d) The number of permanent employees on the rolls of the company: 102

- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration:

No major annual increase to employees and Managerial Personnel has been given to for the past two years

- f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The company affirms the remuneration is as per the remuneration policy of the company

- g) None of the other employee is in receipt of remuneration exceeding 850000/- p.m or 10200000/- p.a as prescribed under sub rule 2 of the Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

Place : Chennai
Date: 11-08-2018

Sd/-
Gajanand Saraf
Chairman

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

1. Report on the Standalone Financial Statements :

We have audited the accompanying standalone financial statements of **NATIONAL OXYGEN LIMITED** as at March 31, 2018, which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (As amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013, in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its Loss (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

5. Emphasis of Matter :

We draw attention to Note No. 40 of the financial statements regarding the company's net worth being fully eroded. However, in view of the reasons explained therein, the financial statements have continued to be drawn up on a going concern assumption. Our opinion is not qualified in respect of the same.

6. Report on Other Legal and Regulatory Requirements :

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further, as required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 42 A to the financial statements;
 - b) There is no material foreseeable losses which the company needs to provide, as required under the applicable law or accounting standards, on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For JITENDRA K AGARWAL & ASSOCIATES

Chartered Accountants

Firm Regn No. 318086E

Sd/-

(SAJAL GOYAL)

Partner

Membership No. 523903

Camp: Chennai

Date : May 26, 2018.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date on the financial statements of NATIONAL OXYGEN LIMITED as at and for the year ended March 31, 2018)

We report that:

- i) In respect of its fixed assets:
 - a) According to information and explanations given to us, the Company has maintained proper Fixed Assets records showing full particulars, including quantitative details and situation of 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) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii) As explained to us, physical verification has been conducted by the management, wherever possible, at all its locations at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods and by products. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) As per the information and 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 189 of the Companies Act, 2013 and hence the requirements of sub clauses (a) and (b) of clause (iii) of the Order are not applicable.
- iv) As per the information and explanations provided to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security provided by the company;
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the directives of the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply;
- vi) The Company is not covered under the criteria prescribed for maintenance of Cost records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, hence clause 3 (vi) of the Order is not applicable to the company.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.,)

- vii) a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Goods and service tax, cess and other material statutory dues with the appropriate authorities. Further, 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 March 31, 2018 in respect of the above statutory dues for a period of more than six months from the date they became payable;
- b) According to the records of the company, the dues outstanding (net of Advances) in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Goods and Service tax or Cess, on account of any dispute as on March 31, 2018, are as follows :

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 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
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	6.69	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
Service Tax	Service Tax on GTA claimed by the Deptt. which is contested by the company	3.86	Apr'2012 to Mar'2013	CESTAT, Southern Bench

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

- viii) 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 or banks or debenture holders, though there have been delays in repayment in certain cases.
- ix) According to the information and explanations given to us by the management, the term loans availed by the company have been applied for the purpose for which they were raised. Further, no money was raised by the company during the year by way of Initial public offer or further public offer;
- x) Based upon 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;
- xi) According to the information and explanations given to us by the management, the managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013;
- xii) The company is not a Nidhi company, hence clause 3 (xii) of the Order is not applicable to the company;
- xiii) According to the information and explanations provided to us and as confirmed by the management, the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements in accordance with the applicable accounting standards;
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv) According to the information and explanations provided to us and as confirmed by the management, the company has not entered into any non-cash transactions with directors or persons connected with him during the year under review;
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

For JITENDRA K AGARWAL & ASSOCIATES**Chartered Accountants****Firm Regn No. 318086E****Sd/-****(SAJAL GOYAL)****Partner****Membership No. 523903****Camp: Chennai****Date : May 26, 2018.**

"ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date on the financial statements of NATIONAL OXYGEN LIMITED as at and for the year ended March 31, 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NATIONAL OXYGEN LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JITENDRA K AGARWAL & ASSOCIATES

Chartered Accountants

Firm Regn No. 318086E

Sd/-

(SAJAL GOYAL)

Partner

Membership No. 523903

Camp: Chennai

Date : May 26, 2018.

Balance Sheet as at 31st March, 2018

	Note No.	As at 31/03/2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipments	2	352,363,729	398,131,326	437,279,610
Capital Work-In-Progress	3	264,660	264,660	-
Intangible Assets	4	1,810	1,810	23,518
Financial Assets :				
i) Investments	5	1,142,500	142,500	1,622,904
ii) Other financial Assets	6	5,777,615	20,155,490	23,289,126
Total Non Current Assets		359,550,314	418,695,786	462,215,158
Current Assets				
Inventories	7	2,155,700	2,975,545	6,552,116
Financial Assets:				
i) Trade Receivables	8	37,337,592	44,949,563	54,439,790
ii) Cash and Cash Equivalents	9	341,236	448,952	357,508
iii) Other Bank Balances	10	7,715,758	4,829,649	7,611,940
iv) Other Financial Assets	11	7,379,529	14,913,315	6,537,727
Current Tax Assets (Net)	12	462,205	619,563	434,727
Other Current Assets	13	4,327,022	3,503,849	2,852,862
Total Current Assets		59,719,042	72,240,436	78,786,670
Total Assets		419,269,356	490,936,222	541,001,828
EQUITY AND LIABILITIES				
Equity				
i) Equity Share Capital	14	48,022,710	48,022,710	48,022,710
ii) Other Equity	15	(133,057,460)	(114,520,193)	(60,949,159)
Total Equity		(85,034,750)	(66,497,483)	(12,926,449)
Liabilities				
Non-Current Liabilities				
Financial Liabilities :				
i) Borrowings	16	345,880,256	378,889,809	373,691,524
ii) Other Financial Liabilities	17	8,983,836	9,835,226	10,676,220
Provisions-Non Current	19	4,502,408	3,756,044	3,385,076
Total Non-Current Liabilities		359,366,500	392,481,079	387,752,820
Current Liabilities				
Financial Liabilities :				
i) Borrowings	20	53,765,327	55,842,378	59,163,448
ii) Trade Payables	21	26,247,846	37,634,180	36,916,763
iii) Other Current Financial Liabilities	22	59,547,398	70,106,981	67,664,845
Other Current Liabilities	23	4,760,139	978,265	1,060,004
Provisions	24	616,896	390,822	1,370,397
Total Current Liabilities		144,937,606	164,952,626	166,175,457
Total Liabilities		504,304,106	557,433,705	553,928,277
Total Equity and Liabilities		419,269,356	490,936,222	541,001,828
Significant Accounting Policies	'1'			

The accompanying notes are an integral part of the financial statements

As per our report of even date annexed.,

For JITENDRA K AGARWAL & ASSOCIATES

For and on behalf of the Board

Chartered Accountants

Firm Registration 318086E

(SAJAL GOYAL)

Partner

Membership No. 523903

Camp : Chennai

Date : 26th May 2018

for NATIONAL OXYGEN LTD

G.N. SARAF

Chairman

DIN: 00007320

RAJESH KUMAR SARAF

Managing Director

DIN: 00007353

Statement of Profit and Loss for the year ended 31st March, 2018

	Note No.	For the year ended 31-03-2018 Rs.	For the year ended 31-03-2017 Rs.
REVENUES			
Revenue from Operations	25	422,689,154	393,493,146
Other Income	26	4,811,793	3,273,376
Total Revenues		427,500,947	396,766,522
EXPENSES			
Cost of Materials Consumed	27	12,273,435	9,464,565
Changes in Inventories	28	552,185	2,066,197
Excise Duty	29	9,067,784	32,604,328
Employee Benefits Expenses	30	31,487,979	29,897,428
Power and Fuel	31	257,633,994	222,473,870
Other Expenses	32	55,478,798	50,895,510
Total Expenses		366,494,175	347,401,898
Profit before interest, tax, depreciation and amortisation		61,006,772	49,364,624
Finance Costs	33	58,991,993	64,625,834
Depreciation and Amortization	34	37,872,199	39,116,648
Profit/ (Loss) before exceptional items and Tax		(35,857,420)	(54,377,858)
Exceptional items (Refer Note No. 41)		17,083,887	-
Profit/ (Loss) before Tax		(18,773,533)	(54,377,858)
Tax Expenses:	35		
Current Tax (Including for earlier years)		-	-
Deferred Tax		(76,657)	(261,774)
Profit/ (Loss) for the year		(18,696,876)	(54,116,084)
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Post employment benefit obligations		(159,609)	(545,050)
Other Comprehensive Income for the year, net of tax		(159,609)	(545,050)
Total Comprehensive Income for the year		(18,537,267)	(53,571,034)
Earnings per Equity Share:			
Basic (₹)		(3.89)	(11.27)
Diluted (₹)		(3.89)	(11.27)

The accompanying notes are an integral part of the financial statements
 As per our report of even date annexed.,

For JITENDRA K AGARWAL & ASSOCIATES
 Chartered Accountants
 Firm Registration 318086E

(SAJAL GOYAL)
 Partner
 Membership No. 523903
 Camp : Chennai
 Date : 26th May 2018

For and on behalf of the Board
 for NATIONAL OXYGEN LTD
 G.N. SARAF
 Chairman
 DIN : 00007320

RAJESH KUMAR SARAF
 Managing Director
 DIN: 00007353

Cash Flow Statement for the year ended 31st March, 2018

A. CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31-03-2018 Rs.	Year ended 31-03-2017 Rs.
Profit/ (Loss) before Tax	(18,773,533)	(54,377,858)
Adjustment for :		
Finance Costs	58,991,993	64,625,834
Depreciation and Amortization Expenses	37,872,199	39,116,648
Remeasurement of Post employment benefit obligations	236,266	806,824
Provision for Doubtful Loans, Advances and Debts (Net)	2,050,000	1,950,000
Exceptional Gains	(17,083,887)	-
(Profit) / Loss on sale of Fixed Assets (Net)	(1,924,923)	(380,105)
Interest & Dividend Income	(882,357)	(2,347,597)
Operating profit before working capital changes	60,485,758	49,393,746
Changes in working Capital:		
Inventories	819,845	3,576,571
Trade and other Receivables	26,650,459	(1,486,348)
Long Term Liabilities and Provisions	(105,026)	(470,026)
Trade and other Payables	(3,460,799)	(2,126,059)
Cash generation from Operations	84,390,238	48,887,883
Payment of Direct Taxes	157,358	(184,836)
Net Cash generated/ (used) - Operating Activities	84,547,596	48,703,047
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(1,020,715)	(353,411)
Purchase of Investment	(1,000,000)	-
Sale of Investments	-	1,480,404
Long term Advances made	-	3,133,636
Sale of Fixed Assets	27,924,923	522,200
Interest Received	882,357	2,347,597
Dividend Received	-	-
Net Cash Generated/ (Used) - Investing Activities	26,786,585	7,130,426
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	7,852,307	51,137,238
Repayment of Long-term Borrowings	(55,339,030)	(41,714,655)
Proceeds/ Repayment of Short-term Borrowings (Net)	(2,077,051)	(3,321,070)
Finance Cost Paid	(58,991,993)	(64,625,834)
Net Cash Generated/ (Used) - Financing Activities	(108,555,767)	(58,524,321)
Net Increase/ (Decrease) in Cash and Cash Equivalents	2,778,393	(2,690,847)
Add : Opening Cash and Cash Equivalents	5,278,601	7,969,448
Closing Cash and Cash Equivalents	8,056,994	5,278,601

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- Figures have been regrouped/ rearranged wherever necessary.

As per our report of even date annexed.,
For JITENDRA K AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration 318086E

(SAJAL GOYAL)
Partner
Membership No. 523903
Camp : Chennai
Date : 26th May 2018

For and on behalf of the Board
for NATIONAL OXYGEN LTD

G.N. SARAF
Chairman
DIN: 00007320

RAJESH KUMAR SARAF
Managing Director
DIN: 00007353

NATIONAL OXYGEN LIMITED

CIN : L24111TN1974PLC006819

Statement of changes in Equity as at 31st March 2018**A. Equity Share Capital :**

a) Particulars	Note No.	Numbers	Rs.
Equity Shares outstanding as at 01-04-2016		4,802,271	48,022,710
Changes in Equity Share Capital		-	-
Equity Shares outstanding as at 31-03-2017		4,802,271	48,022,710
Changes in Equity Share Capital		-	-
Equity Shares outstanding at 31-03-2018		4,802,271	48,022,710

B. Other Equity :

Particulars	Reserves & Surplus				Total -
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Other Equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01-04-2016	4,000,000	77,838,890	61,786,924	(187,122,959)	(43,497,145)
Add/ (Less)- Transitional Impact of Ind AS as on 01-04-2016 adjusted against opening Balance			(11,813,452)	(5,638,562)	(17,452,014)
Restated Balance as at 01-04-2016	4,000,000	77,838,890	49,973,472	(192,761,521)	(60,949,159)
Profit/ (Loss) for the year				(54,116,084)	(54,116,084)
Other Comprehensive Income				545,050	545,050
Total Comprehensive Income for the year	-	-	-	(53,571,034)	(53,571,034)
Transfer to General Reserve				-	-
Balance as at 31-03-2017	4,000,000	77,838,890	49,973,472	(246,332,555)	(114,520,193)
Profit/ (Loss) for the year				(18,696,876)	(18,696,876)
Other Comprehensive Income				159,609	159,609
Total Comprehensive Income for the year	-	-	-	(18,537,267)	(18,537,267)
Transfer to General Reserve				-	-
Balance as at 31-03-2018	4,000,000	77,838,890	49,973,472	(264,869,822)	(133,057,460)

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration 318086E

(**SAJAL GOYAL**)
Partner
Membership No. 523903
Camp : Chennai
Date : 26th May 2018

For and on behalf of the Board
for **NATIONAL OXYGEN LTD**

G.N. SARAF
Chairman
DIN : 00007320

RAJESH KUMAR SARAF
Managing Director
DIN : 00007353

NOTES TO THE FINANCIAL STATEMENTS**Corporate information:**

National Oxygen Limited (CIN : L24111TN1974PLC006819) is a Listed company domiciled in India and was incorporated on 23rd December 1974 and is governed under the Companies Act, 2013. The company is primarily engaged in manufacturing of Industrial Gases and Wind Energy generation.

The financial statements of the Company for the year ended 31st March 2018 were authorised for issue by the Board of Directors at their meeting held on 26th May 2018.

1 SIGNIFICANT ACCOUNTING POLICIES

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation :**a) Compliance with Ind AS:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as applicable.

The financial statements upto the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer Note 38 for the particulars of how the transition from previous GAAP to Ind AS has impacted the company's financial position, financial performance and cash flows.

b) Historical cost convention :

The financial statements have been prepared on accrual basis under the historical cost basis, except for certain assets and liabilities which are measured at their fair value as indicated in the respective accounting policy.

1.2 Significant Accounting Policies**A Property Plant & Equipment:**

- a) Fixed Assets are stated at cost net of Cenvat, Value added tax, Goods and service Tax etc, depreciation and impairment. Cost of acquisition includes duties, taxes, incidental expenses, erection and 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.

Transition to Ind AS

On transition to Ind AS, the company has opted to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016 as the deemed cost of the property, plant and equipment.

B DEPRECIATION:

- a) The company computes depreciation with reference to the useful life/ revised remaining useful life of the assets as specified by and in the manner prescribed in Schedule II of the Companies Act 2013 under Straight Line Method . On Additions - sales the depreciation is prorated to the month of Addition/ Sale.
- 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.

Transition to Ind AS

On transition to Ind AS, the company has opted to classify its major plant and equipment based on the component lives of the asset.

C INTANGIBLE ASSETS:

Intangible Assets are stated at cost less accumulated amortization and impairment, if any

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 INVESTMENTS AND OTHER FINANCIAL ASSETS:**Classification:**

The Investments and other financial assets have been classified as per Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement :

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income or at fair value through profit and loss.

Equity Instruments:

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present the fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets :

The company assesses on a forward looking basis the expected credit losses associated with

its assets carried at amortised cost. The impairment methodology applied depend on whether there has been a significant increase in credit risk.

For trade receivables, as permitted by Ind AS 109 Financial Instruments, the expected lifetime losses are recognised at the time of initial recognition of the receivables.

Derecognition of financial assets :

A financial asset is derecognised only when :

- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

F 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

G 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.

H EMPLOYEE BENEFITS:

Defined Contribution Plans: Company's contribution to Provident Fund and other funds are charged to the statement of Profit & Loss during the period during which the employee renders the related service. The Company has no obligations other than the contributions payable to the respective trusts.

Defined Benefit plans : Gratuity liability is provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method in accordance with the Indian Accounting Standard 19. The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the terms of the related obligations.

Remeasurments gains and losses arising from experience adjustments and changes in actuarial assumption are recognised in the period in which they occur, directly in other comprehensive income, which is included in retained earnings in the statement of changes in equity and in the balance sheet.

I REVENUE RECOGNITION :

Revenue is measured at the fair value of the consideration received or receivable. Revenue disclosed is inclusive of excise duty and net of returns, rebates, Cash incentives, value added taxes and service tax.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The company bases its estimates

on past experience, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue from Sale of products are recognised when significant risks and rewards of ownership have been transferred to the customers which generally coincides with delivery. No element of financing is deemed to be present, as the sales are made with normal credit terms which is consistent with market practice.

J 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.

K TAXES ON INCOME:

- a) Current Income Tax is provided as per the provisions of the Income tax Act 1961.
- b) Deferred Tax is provided using the Liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

L EARNINGS PER SHARE:

Basic earnings per share:

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and, the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

M 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.

N 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. Property Plant & Equipment

Summary of cost and net carrying amount of each class of Property Plant & Equipment are given below:

							(In Rs.)
Property Plant & Equipment	Freehold Land	Leasehold Land under Finance	Buildings	Plant and Equipment	Furniture & Office Equipment	Vehicles	Total
Year ended 31st March 2017							
Gross Carrying Amount							
Deemed Cost as at April 1, 2016	2,613,023	12,037,345	84,343,278	649,608,849	12,727,244	8,209,876	769,539,615
Additions	-	-	-	44,775	43,97	-	88,751
Transfer to General Reserve	-	-	-	-	-	-	-
Disposals / Adjustments	-	-	-	427,232	2,841,899	-	3,269,131
As at 31st March, 2017	2,613,023	12,037,345	84,343,278	649,226,392	9,929,321	8,209,876	766,359,235
Accumulated Depreciation							
As at April 1, 2016	-	2,903,682	18,388,218	282,024,776	10,878,166	6,613,149	320,807,991
Add: Transitional Ind AS adjustment transferred to General Reserve	-	-	-	11,452,014	-	-	11,452,014
Adjusted Accumulated Depreciation as at April 1, 2016	-	2,903,682	18,388,218	293,476,790	10,878,166	6,613,149	332,260,005
Additions	-	597,479	2,314,601	35,183,185	775,692	223,983	39,094,940
Disposals / Adjustments	-	-	-	427,232	2,699,804	-	3,127,036
As at 31st March, 2017	-	3,501,161	20,702,819	328,232,743	8,954,054	6,837,132	368,227,909
Net Carrying Amount							
As at 1st April 2016	2,613,023	9,133,663	65,955,060	356,132,059	1,849,078	1,596,727	437,279,610
As at 31st March, 2017	2,613,023	8,536,184	63,640,459	320,993,649	975,267	1,372,744	398,131,326
Year ended 31st March 2018							
Gross Carrying Amount							
As at April 1, 2017	2,613,023	12,037,345	84,343,278	649,226,392	9,929,321	8,209,876	766,359,235
Additions	-	-	-	889,275	131,440	-	1,020,715
Disposals / Adjustments	-	3,608,645	-	102,653,111	-	-	106,261,756
As at 31st March, 2018	2,613,023	8,428,700	84,343,278	547,462,558	10,060,761	8,209,876	661,118,194
Accumulated Depreciation							
As at April 1, 2017	-	3,501,161	20,702,819	328,232,743	8,954,054	6,837,132	368,227,909
Additions	-	551,282	2,238,812	34,527,225	331,768	223,102	37,872,199
Disposals / Adjustments	-	1,796,329	-	95,549,314	-	-	97,345,643
As at 31st March, 2018	-	2,256,124	22,941,631	267,210,654	9,285,822	7,060,234	308,754,465
Net Carrying Amount							
As at 31st March, 2017	2,613,023	8,536,184	63,640,459	320,993,649	975,267	1,372,744	398,131,326
As at 31st March, 2018	2,613,023	6,172,576	61,401,647	280,251,902	774,939	1,149,642	352,383,729

3 Capital Work-In-Progress**Capital Work-In-Progress - Property Plant & Equipment****Year ended 31st March 2017**

	Tangible Assets Rs.
Deemed Cost as at April 1, 2016	-
Additions	264,660
As at 31st March, 2017	264,660

Year ended 31st March 2018

	Rs.
As at April 1, 2017	264,660
Additions	-
Less:- Capitalised	-
As at 31st March, 2018	264,660

4 Intangible Assets

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

Year ended 31st March 2017

Gross Carrying Amount	Computer Software
	Rs.
Deemed Cost as at April 1, 2016	3,364,195
Additions	-
Disposals / Adjustments	-
As at March 31, 2017	3,364,195
Amortization	
As April 1, 2016	3,340,677
Additions	21,708
Disposals	-
As March 31, 2017	3,362,385

Year ended 31st March 2018

Gross Carrying Amount

Rs.

Deemed Cost as at April 1, 2017	3,364,195
Additions	-
Disposals / Adjustments	-
As at 31st March, 2018	3,364,195
Amortization	
As at April 1, 2017	3,362,385
Additions	-
Disposals	-
As March 31, 2018	3,362,385
Net Carrying Amount	
As at 1st April, 2016	23,518
As at 31st March, 2017	1,810
As at 31st March, 2018	1,810

5. Investments

	Face value per Unit Fully paid up	31/03/2018 Nos.	31-03-2017 Nos.	01-04-2016 Nos.	31/03/2018 Rs.	31-03-2017 Rs.	01-04-2016 Rs.
Investments - Other than Trade							
i. Investments in Equity Instruments							
Unquoted:							
TCP Limited	100	470	470	470	47,000	47,000	47,000
Pondichery Agro Foods Pvt Ltd	10	9,000	9,000	9,000	90,000	90,000	90,000
Beta Wind Farm Pvt Ltd	10	-	-	77,916	-	-	1,480,404
Cauvery Power Trading Chennai Pvt Ltd	10	100000			1,000,000	-	-
					1,137,000	137,000	1,617,404
ii. Investments in Government Securities Unquoted:							
National Savings Certificate					5,000	5,000	5,000
Indira Vikas Patra					500	500	500
					5,500	5,500	5,500
Aggregate amount of Investments					1,142,500	142,500	1,622,904

	31/03/2018 Rs.	As at 31-03-2017 Rs.	01-04-2016 Rs.
6 Other financial Assets			
Unsecured, Considered Good			
Security Deposits	5,777,615	20,155,490	23289126
	5,777,615	20,155,490	23,289,126
7 Inventories:			
Raw Materials	1,003,911	1,045,700	1437061
Finished Goods	1,078,175	1,834,154	4158625
Stores and Spares	73,615	95,691	956430
	2,155,700	2,975,545	6,552,116
8 Trade Receivables:			
Unsecured, Considered Good	37,337,592	44,949,563	54,439,790
Unsecured, Considered Doubtful	8,717,147	7,950,000	6,000,000
	46,054,739	52,899,563	60,439,790
Less: Provision for Doubtful Debts	(8,717,147)	(7,950,000)	(6,000,000)
	37,337,592	44,949,563	54,439,790
9 Cash and Bank Balances:			
Cash and Cash Equivalents			
Balance with Banks:			
Deposits with less than 3 months initial maturity	-	-	-
Current Accounts	89,466	312,444	170,323
Cash on hand	251,770	136,508	187,186
	341,236	448,952	357,508
10 Other Balances			
Balance with Banks:			
Unpaid Dividend Accounts	189,320	330,497	477,007
Margin Money Deposit Accounts	7,526,438	4,499,152	7,134,933
Deposits maturing within 12 months	-	-	-
	7,715,758	4,829,649	7,611,940
11 Other Financial Assets			
Deposit with Government Departments and Others	4,149,397	4,606,855	3,427,838
Advances recoverable in Cash or in kind or for value to be received and/or to be adjusted			
Others	3,230,132	10,306,460	3,109,889
	7,379,529	14,913,315	6,537,727

12 Current Tax Assets (Net)

Advance Income Tax & TDS (net of provision)	462,205	619,563	434,727
	462,205	619,563	434,727

13 Other Current Assets

Interest Accrued on Deposits	1,983,591	1,576,817	2,852,862
Other Current Assets	2,343,431	1,927,032	-
	4,327,022	3,503,849	2,852,862

14 Equity Share Capital**Authorized Equity Share Capital**

	Numbers	Rs in INR
As at 01-04-2016	5,000,000	50,000,000
Increase during the year	-	-
As at 31-03-2017	5,000,000	50,000,000
Increase during the year	-	-
As at 31-03-2018	5,000,000	50,000,000

a) Movement in Equity Share Capital

	Numbers	Rs in INR
Equity Shares outstanding as at 01-04-2016	4,802,271	48,022,710
Changes in Equity Share Capital	-	-
Equity Shares outstanding as at 31-03-2017	4,802,271	48,022,710
Changes in Equity Share Capital	-	-
Equity Shares outstanding at 31-03-2018	4,802,271	48,022,710

b) 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.

c) Detail of shareholders holding more than 5 % shares of the Company as on reporting date are given below:

Name of shareholder	As at 31st Mar 2018		As at 31st Mar 2017		As at 1st April 2016	
	No. of Shares Holding	% of held	No. of Shares Holding	% of held	No. of Shares held	% of Holding
1. Rajesh Kumar Saraf	980,571	20.42%	618,700	12.88%	618,700	12.88%
2. Gajanand Saraf	794,108	16.54%	794,108	16.54%	794,108	16.54%
3. Sarita Saraf	286,198	5.96%	286,198	5.96%	286,198	5.96%
4. Veena Devi Saraf	-	-	361,871	7.54%	361,871	7.54%
5. Saraf Housing Development Pvt.Ltd.	252,885	5.27%	252,885	5.27%	252,885	5.27%

- d) The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

	As at		
	31-03-2018 Rs.	31-03-2017 Rs.	01-04-2016 Rs.
15 Other Equity :			
<u>Capital Reserve</u>			
As per last Account	4,000,000	4,000,000	4,000,000
<u>Securities Premium Account</u>			
As per last Account	77,838,890	77,838,890	77,838,890
<u>General Reserve</u>			
As per last Account	49,973,472	49,973,472	61,786,924
Add: Transfer from Statement of Profit & Loss			-
Add/ (Less)- Transitional Impact of Ind AS as on 01-04-2016 adjusted against opening Balance			(11,813,452)
	49,973,472	49,973,472	49,973,472
<u>Retained Earnings</u>			
Opening Balance	(246,332,555)	(192,761,521)	(130,275,230)
Add/ (Less)- Transitional Impact of Ind AS as on 01-04-2016 adjusted against opening Balance	-	-	(5,662,306)
Restated Opening Balance	(246,332,555)	(192,761,521)	(135,937,536)
Add: Profit/ (Loss) for the year	(18,696,876)	(54,116,084)	(56,847,729)
	(265,029,431)	(246,877,605)	(192,785,265)
<i>Items of Other Comprehensive Income recognized directly in Retained Earnings</i>			
Remeasurement of Post employment benefit obligations net of tax	159,609	545,050	23744
Less: Transfer to General Reserve	-	-	-
Closing Balance	(264,869,822)	(246,332,555)	(192,761,521)
Total Other Equity	(133,057,460)	(114,520,193)	(60,949,159)

16 Borrowings :**Secured****Term Loans:**

From Banks	61,426,100	116,765,130	158,479,785
Less Current Portion disclosed under current liabilities	40,882,128	55,359,298	51,135,000
	20,543,972	61,405,832	107,344,785

Overdraft from Bank against Tangible Collateral Security (OD TCS)

124,980,323	129,672,211	129,389,306
124,980,323	129,672,211	129,389,306
145,524,295	191,078,043	236,734,091

Unsecured**Inter Corporate Deposits**

190,355,961	177,811,766	136,957,433
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Others

10,000,000	10,000,000	
200,355,961	187,811,766	136,957,433
345,880,256	378,889,809	373,691,524

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

Term Loans and Overdraft from Bank against Tangible Collateral Security (OD TCS) are Secured by Equitable Mortgage of Leasehold 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 movable Assets and future receivables of the company, present and future, and guaranteed by the Chairman and the Managing Director of the Company.

The Term Loan is repayable in monthly instalments of Rs.34.09 Lacs each upto Sept. 2019 and the rate of interest was in the range of 13.45% to 13.75%

17 Other Financial Liabilities**Trade Payables**

Trade Deposits - Retention Money received	8,983,836	9,835,226	10,676,220
	8,983,836	9,835,226	10,676,220

18 Deferred Tax Liabilities (Net) :

Major components of Deferred Tax arising on account of temporary timing differences are given below:

Deferred Tax Liabilities

Depreciation and Amortization Expenses	55,155,834	64,079,787	65,337,000
Other Timing Differences	-	-	-
	55,155,834	64,079,787	65,337,000

Deferred Tax Assets

Expenses- Provisions Allowable	1,816,857	1,530,000	1,108,000
Carry forward Losses (to the extent of unabsorbed depreciation)	53,338,977	62,549,787	64,229,000
Other Timing Differences	-	-	-
	<u>55,155,834</u>	<u>64,079,787</u>	<u>65,337,000</u>

Deferred Tax Liabilities- (Asset) (Net) ()**

(**) As a matter of Prudence, deferred tax asset has not been recognized in the Accounts

19 Provisions-Non Current

Provision for Employee Benefits	4,502,408	3,756,044	3,385,076
Other Provisions	-	-	-
	<u>4,502,408</u>	<u>3,756,044</u>	<u>3,385,076</u>

20 Borrowings :**Secured**

Loans repayable on demand			
From Banks	53,765,327	55,842,378	54,506,904
Loans against Fixed Deposits	-	-	4,656,544
	<u>53,765,327</u>	<u>55,842,378</u>	<u>59,163,448</u>

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

- i) Cash Credit Loan from Bank is 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 Chairman and Managing Director of the Company
- ii) Loan against Fixed Deposits are secured by way of Lien on the respective Fixed Deposits

21 Trade Payables :

- Total outstanding dues of micro and small enterprises			
- Total outstanding dues of creditors other than to micro and small enterprises	26,247,846	37,634,180	36,916,763
	<u>26,247,846</u>	<u>37,634,180</u>	<u>36,916,763</u>

22 Other Current Financial Liabilities :

Current maturities of long-term borrowings	40,882,128	55,359,298	51,135,000
Unpaid Dividend	189,320	330,497	477,007
Statutory dues Payables	8,372,583	3,728,278	6,534,558
Other Liabilities	10,103,367	10,688,908	9,518,280
	<u>59,547,398</u>	<u>70,106,981</u>	<u>67,664,845</u>

Notes to the Financial Statements (Contd..)**23 Other Current Liabilities :**

Customers' Credit Balances and Advances against orders	2,260,139	978,265	1,060,004
Advance Against Properties	2,500,000	-	-
	4,760,139	978,265	1,060,004

24 Provisions

Employee Benefits	616,896	390,822	1,370,397
	616,896	390,822	1,370,397

As at

31-03-2018	31-03-2017
Rs.	Rs.

25 Revenue from Operations:**a) Sale of Products**

Sale of Industrial Gases	407,395,544	372,691,699
Sale of Wind Energy	12,353,239	17,857,368
Sales of other products	425,396	556,417

420,174,180 391,105,484
b) Facility Charges- Cylinder holding charges etc

2,514,974 2,387,662
Net Revenue from Operations

422,689,154 393,493,146

26 Other Income:**Interest Income**

On Deposits etc (a)	882,357	2,347,597
Dividend Received	100	-

Gain- (Loss) on foreign currency transactions and translation (Net)

80,877 77,077
Profit- (Loss) on Fixed Assets sold/ discarded (Net)

1,924,923 380,105
Liabilities- Provisions no longer required written back

643,656 335,254
Miscellaneous Receipts and Claims

1,279,880 133,343

4,811,793 3,273,376

(a) Interest Income is gross of tax deducted at source amounting to Rs.86,656
(Previous year Rs. 1,85,764)

27 Cost of Materials Consumed:

Opening Stock	1,045,700	1,437,061
Add: Purchases	12,231,645	9,073,204
	13,277,345	10,510,265
Less: Closing Stock	1,003,911	1,045,700
	12,273,435	9,464,565

Notes to the Financial Statements (Contd..)

		As at	
		31-03-2018 Rs.	31-03-2017 Rs.
Details of Raw Materials Consumed			
Calcium Carbide		11,154,618	9,464,565
Others		1,118,817	-
28 Changes in Inventories:			
Opening Inventories			
Finished Goods		1,834,155	4,158,625
Less: Closing Inventories			
Finished Goods		1,078,175	1,834,155
		755,980	2,324,470
Add: Increase- Decrease of Excise Duty on Inventories		(203,795)	(258,274)
		552,185	2,066,196
29 Excise duty			
Excise Duty on Sales		9,067,784	32,604,328
		9,067,784	32,604,328
30 Employee Benefits Expenses:			
Salaries and Wages		28,154,693	26,744,387
Contribution to Provident and other Funds		1,778,870	1,574,324
Employees Welfare Expenses		1,554,416	1,578,717
		31,487,979	29,897,428
31 Power and Fuel:			
Power and Fuel		257,633,994	222,473,870
		257,633,994	222,473,870
32 Other Expenses:			
Consumption of Stores and Spares		4,940,686	5,014,153
Repairs to Buildings		1,047,213	1,061,162
Repairs to Machinery		6,727,960	5,791,846
Rates and Taxes		829,007	359,998
Rent		-	100,000
Insurance		526,309	484,604
Auditors' Remuneration - (a)		130,000	149,500
Travelling & Conveyance Expenses		804,672	460,503
Freight and Forwarding Expenses (Net)		30,329,979	25,081,917
Bad Debts and Advances written off (Net)		1,282,853	-
Less: Adjusted against Provision for doubtful debts		(1,282,853)	-
Provision for doubtful debts		2,050,000	1,950,000

Notes to the Financial Statements (Contd.)

	As at	
	31-03-2018 Rs.	31-03-2017 Rs.
Directors' Remuneration	3,000,000	4,250,000
Directors' Sitting Fees	24,750	34,000
Miscellaneous Expenses	5,068,223	6,157,827
	55,478,798	50,895,510
(a) Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	100,000	115,000
Taxation matters	30,000	34,500
Others	-	-
	130,000	149,500
33. Finance Costs:		
Interest Expenses	57,497,868	63,799,444
Other Borrowing Costs	1,494,125	826,390
	58,991,993	64,625,834
34. Depreciation and Amortization Expenses:		
Depreciation	37,872,199	39,094,940
Amortization Expenses	-	21,708
	37,872,199	39,116,648
35. Tax Expenses		
Current Tax		
Current Tax for the year	-	-
Current Tax adjustments for earlier years (Net)	-	-
	-	-
Deferred Tax		
Deferred Tax for the year	(76,657)	(261,774)
Deferred Tax adjustments for earlier years (Net)	-	-
	(76,657)	(261,774)

Notes to the Financial Statements (Contd..)**36 Financial risk management objectives and policies**

The Company's financial liabilities comprise loans and borrowings, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents.

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk. The Company's management ensures that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. Managing Director, Chief Financial Officer and Business Heads reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the company. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date and write off/provision is made. The calculation is based on losses as per historical data.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

Trade Receivable	0 to 180 days	> 180 days	Total
31st March 2018	38,950,518	7,104,221	46,054,739
31st March 2017	42,557,712	10,341,851	52,899,563
April 1st 2016	52,201,303	8,238,487	60,439,790

Notes to the Financial Statements (Contd..)

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position on the basis of expected cash flows.

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Financial Liabilities	Within 12 months	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Total
31st March 2018					
Non Derivatives					
Borrowings	94,647,455	20,543,972	325,336,284		440,527,711
Trade Payables / Trade Deposits	26,247,846		8,983,836		35,231,683
Other current financial liabilities	18,665,270				18,665,270
Total Non derivative Liabilities	139,560,571	20,543,972	334,320,120		494,424,664
Derivatives					
Foreign Exchange Forward Contracts					
Total derivative Liabilities	-	-	-		-
31st March 2017					
Non Derivatives					
Borrowings	111,201,676	40,861,860	338,027,949		490,091,485
Trade Payables / Trade Deposits	37,634,180		9,835,226		47,469,406
Other current financial liabilities	14,747,683				14,747,683
Total Non derivative Liabilities	163,583,539	40,861,860	347,863,175		552,308,574
Derivatives					
Foreign Exchange Forward Contracts					
Total derivative Liabilities					
April 1st 2016					
Non Derivatives					
Borrowings	110,298,448	55,359,298	318,332,226		483,989,972
Trade Payables	36,916,763		10,676,220		47,592,983
Other current financial liabilities	16,529,845				16,529,845
Total Non derivative Liabilities	163,745,056	55,359,298	329,008,446		548,112,800
Derivatives					
Foreign Exchange Forward Contracts					
Total derivative Liabilities					

Notes to the Financial Statements (Contd..)**37 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and retaining healthy debt equity ratio.

38 First Time Adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first the company has prepared in accordance with Ind AS.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Optional Exemptions Availed :

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

- (i) Deemed cost
- (ii) Designation of previously recognised financial instruments:
- (iii) Leases

B. Mandatory exceptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Investment in equity instruments carried at FVPL or FVOCI, in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

1) Reconciliation of Equity

National Oxygen Limited

Particulars	As at 1 April 2016			As at 31 March 2017		
	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets						
Property, Plant & Equipments	448,731,624	(11,452,014)	437,279,610	410,818,685	(12,687,359)	398,131,326
Capital Work-in-Progress	-	-	-	264,660	-	264,660
Intangible Assets	23,518	-	23,518	1,810	-	1,810
Financial Assets :						
i) Investments	1,622,904	-	1,622,904	142,500	-	142,500
ii) Other financial Assets	23,289,126	-	23,289,126	20,155,490	-	20,155,490
Other Non Current Assets	-	-	-	-	-	-
Total Non Current Assets	473,667,172	(11,452,014)	462,215,158	431,383,145	(12,687,359)	418,695,786
Current Assets						
Inventories	6,552,116	-	6,552,116	2,975,545	-	2,975,545
Financial Assets:						
i) Trade Receivables	60,439,790	(6,000,000)	54,439,790	52,899,564	(7,950,000)	44,949,564
ii) Cash and Cash Equivalents	357,508	-	357,508	448,952	-	448,952
iii) Other Bank Balances	7,611,940	-	7,611,940	4,829,649	-	4,829,649
iv) Other Financial Assets	6,537,727	-	6,537,727	14,913,314	-	14,913,314
Current Tax Assets (Net)	434,727	-	434,727	619,563	-	619,563
Other Current Assets	2,852,862	-	2,852,862	3,503,849	-	3,503,849
Total Current Assets	84,786,670	(6,000,000)	78,786,670	80,190,436	(7,950,000)	72,240,436
Total Assets	558,453,842	(17,452,014)	541,001,828	511,573,581	(20,637,359)	490,936,222
EQUITY AND LIABILITIES						
EQUITY						
i) Equity Share Capital	48,022,710	-	48,022,710	48,022,710	-	48,022,710
ii) Other Equity	(43,497,145)	(17,452,014)	(60,949,159)	(93,882,834)	(20,637,359)	(114,520,193)
Total Equity	4,525,565	(17,452,014)	(12,926,449)	(45,860,124)	(20,637,359)	(66,497,483)
LIABILITIES						
Non-Current Liabilities						
Financial Liabilities :						
i) Borrowings	373,691,524	-	373,691,524	378,889,809	-	378,889,809
ii) Other Non current Financial Liabilities	10,676,220	-	10,676,220	9,835,226	-	9,835,226
Provisions	3,385,076	-	3,385,076	3,756,044	-	3,756,044
Total Non-Current Liabilities	387,752,820	-	387,752,820	392,481,079	-	392,481,079
Current Liabilities						
Financial Liabilities :						
i) Borrowings	59,163,448	-	59,163,448	55,842,378	-	55,842,378
ii) Trade Payables	36,916,763	-	36,916,763	37,634,180	-	37,634,180
iii) Other Current Financial Liabilities	-	67,664,845	-	67,664,845	70,106,981	70,106,981
Provisions	1,370,397	-	1,370,397	390,822	-	390,822
Other Current Liabilities	68,724,849	(67,664,845)	1,060,004	71,085,246	(70,106,981)	978,265
Total Current Liabilities	166,175,457	-	166,175,457	164,952,626	-	164,952,626
Total Liabilities	553,928,277	-	553,928,277	557,433,705	-	557,433,705
Total Equity and Liabilities	558,453,842	(17,452,014)	541,001,828	511,573,581	(20,637,359)	490,936,222

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Revenue		Rs.	Rs.	Rs.
Revenue from operations		360,888,817	32,604,329	393,493,146
Other income		3,273,376	-	3,273,376
Total income		364,162,193	32,604,329	396,766,522
Total Equity and Liabilities				
Expenses				
Cost of Materials Consumed		9,464,564		9,464,564
Purchases of Stock-in-Trade		-		-
Changes in Inventories		2,066,197		2,066,197
Excise Duty		-	32,604,329	32,604,329
Employee Benefits Expenses		29,090,604	806,824	29,897,428
Power & Fuel		222,473,870		222,473,870
Finance costs		64,625,834		64,625,834
Depreciation and amortization expense		37,881,303	1,235,345	39,116,648
Other expenses		48,945,510	1,950,000	50,895,510
Total Expenses		414,547,882	36,596,498	451,144,380
Profit/ (loss) before tax		(50,385,689)	(3,992,169)	(54,377,858)
Tax expense:				
Current tax		-	-	-
Deferred tax		-	(261,774)	(261,774)
Profit/ (loss) for the period (A)		(50,385,689)	(3,730,395)	(54,116,084)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans (net of Tax)		-	545,050	545,050
Other comprehensive income for the period (B)		-	545,050	545,050
Total comprehensive income for the period (A + B)		(50,385,689)	(3,185,345)	(53,571,034)

iii) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	31 March 2017 Rs.	1 April 2016 Rs.
Total equity (shareholder's funds) as per previous GAAP		(45,860,124)	4,525,565
Adjustments:			
Impact on account of :			
Expected Credit Loss on Receivables	3	(1,950,000)	(6,000,000)
Other impacts		(1,235,345)	(11,452,014)
Tax effects of adjustments		-	-
Total adjustments		(3,185,345)	(17,452,014)
Net impact brought forward from Opening balance sheet		(17,452,014)	
Total equity as per Ind AS		(66,497,483)	(12,926,449)

iv) Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Amount Rs.
Profit after tax under Indian GAAP		(50,385,689)
Adjustments		
Impact on account of :		
Employee Benefits\	2	(806,824)
Expected Credit Loss on Receivables	3	(1,950,000)
Depreciation		(1,235,345)
Tax effects of adjustments	5	261,774
Total adjustments		(3,730,395)
Profit after tax as per Ind AS		(54,116,084)
Other Comprehensive Income (Net of Tax)	4	545,050
Total Comprehensive Income for the year		(53,571,034)

v) Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

	Particulars Previous GAAP* Rs.	Adjustments Rs.	Ind AS Rs.
Net cash flow from operating activities	48,703,048	-	48,703,048
Net cash flow from investing activities	7,130,426	-	7,130,426
Net cash flow from financing activities	(58,524,321)	-	(58,524,321)
Cash and cash equivalents as at 1 April 2017	7,969,448		7,969,448
Cash and cash equivalents as at 31 March 2017	5,278,601	-	5,278,601

D Notes to first-time adoption:**i) Excise Duty**

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March 2017 by Rs.326.04 Lacs. There is no impact on the total equity and profit.

ii) Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs.5.45 Lacs (net of deferred tax). There is no impact on the total equity as at 31st March 2017.

iii) Expected Credit Loss Model

Ind AS 109 requires to recognise loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes re measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP

v) Tax Implications

Tax impact includes deferred tax impact, wherever applicable as per provisions of Ind AS 12 (Income Taxes), on account of difference between previous GAAP and Ind AS.

39 Disclosures required by Ind AS 19 on "Employee Benefits":

Particulars	2017-18 Rs. in Lacs	2016-17 Rs. in Lacs
i) Net employee benefit expense recognized in the employee cost		
Current service cost	3.12	3.06
Net Interest cost / (Income) on benefit Liability / (Asset)	2.97	3.51
Expected return on plan assets	-	-
Past Service Cost	7.12	-
Net actuarial (gain) / loss recognized in the year (Other Comprehensive Income)	(2.36)	(8.06)
- change in financial assumptions	(1.19)	1.26
- experience variance (i.e. Actual experience vs assumptions)	(1.17)	(9.32)
Net benefit expense	10.85	(1.49)
Benefit asset / liability		
Present value of defined benefit obligation	51.19	41.47
Fair value of plan assets		
Plan asset / (liability)	(51.19)	(41.47)
Current	6.17	3.91
Non Current	45.02	37.56
	51.19	41.47
ii) Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	41.47	47.55
Current service cost	3.12	3.06
Past service cost	7.13	-
Interest cost	2.96	3.51
Re-measurement of defined benefit obligation (Acturial (gain) / loss)	(2.36)	(8.07)
Benefits paid	(1.13)	(4.58)
Closing defined benefit obligation	51.19	41.47
iii) Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	1.13	4.58
Benefits paid	(1.13)	(4.58)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-
iv) The principal actuarial assumptions are as follows		
Discount rate	7.62%	7.25%
Salary increase	5.00%	5.00%
Withdrawal Rates	5.00%	5.00%
v) Amount incurred as expense for defined contribution plans		
Contribution to Provident / Pension fund	10.66	10.01
vi) The major categories of plan assets as a percentage of the fair value of total plan asset are as follows:		
Investment with Insurer	-	-
vii) A quantitative sensitivity analysis for significant assumptions is as below:		
Impact on gratuity defined benefit obligation		
Discount rate (-0.5/+0.5)%		
Sensitivity level - Increase	0.26	0.21
Sensitivity level - Decrease	(0.26)	(0.21)

- 40 The company's net worth has fully eroded during the year. However, in view of the improved business sentiments and the efforts being made, and also the reduction in cash losses compared to the previous year, the management is of the opinion that the company's financials would further improve and hence the financial statements have continued to be drawn up on a going concern assumption.
- 41 During the year the company has disposed off its Windmill business undertaking on a slump sale basis. The profit from disposal of the Undertaking amounting to Rs.170.84 Lacs has accordingly been disclosed under Exceptional Items.

		As at	
		3/31/2018	3/31/2017
42	Contingent Liabilities and Commitments :		
A	Contingent Liability		
	(a) Claims against the company not acknowledged as debt:		
	Excise Duty - Service Tax	3,542,485	3,542,485
	Customs Duty	8,823,578	8,823,578
	(b) Outstanding Letters of Credit and Bank Guarantees	34,982,673	28,217,435
B.	Capital Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
43	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, (Disposed off during the year)	-	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 31-03-2018			Year ended 31-03-2017		
	Industrial Gases Rs.	Wind Mill Rs.	Total I Rs.	Industrial Gases Rs.	Wind Mill I Rs.	Total Rs.
REVENUE						
External	407,820,941	12,353,239	420,174,180	373,248,116	17,857,368	391,105,484
Inter Segment	-	-	-	-	-	-
Total	407,820,941	12,353,239	420,174,180	373,248,116	17,857,368	391,105,484
RESULTS						
Segment Results	(4,850,207)	8,277,013	3,426,806	(4,493,876)	12,197,650	7,703,774
Unallocated Corporate Income			(2,807,380)			(2,727,702)
Unallocated Corporate Expenses			183,500			183,500
Finance Costs			58,991,993			64,625,834
Exceptional Gains			(17,083,887)			-
Profit/(Loss) for the year before tax			(18,773,533)			(54,377,858)
OTHER INFORMATION						
Assets:						
Segment Assets	417,475,331	-	417,475,331	475,167,101	14,723,561	489,890,663
Unallocated Corporate Assets			1,794,025			1,045,560
Total Assets			419,269,356			490,936,223
Liabilities:						
Segment Liabilities	61,087,075	-	61,087,075	67,011,724	-	67,011,724
Unallocated Corporate Liabilities			358,182,281			423,924,499
Total Liabilities			419,269,356			490,936,223
Capital Expenditure	-	-	-	-	-	-
Depreciation and Amortization	36,422,295	1,449,904	37,872,199	36,964,367	2,152,281	39,116,648
Other Non-Cash Expenses	-	-	-	-	-	-

Note: All Income , Revenue, Assets and Liabilities pertain to a single geographical segment within India. Hence no separate Geographical segment disclosures are required.

	Year ended	
	31-03-2018	31-03-2017
	(Rs.)	
44 Earning per Share (EPS)		
Profit/ (Loss) for the period Rs.	(18,696,876)	(50,385,689)
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	4,802,271	4,802,271
Weighted average number of Diluted Equity Shares outstanding	4,802,271	4,802,271
Face value of per share	10	10
Basic EPS (')	(3.89)	(10.49)
Diluted EPS (')	(3.89)	(10.49)

- 45 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 provision/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 | Chairman |
| ii) Shri. Rajesh Kumar Saraf | Managing Director |
| iii) Smt. Veenadevi Saraf | Director (upto 10-02-2018) |
| iv) Smt. Sarita Saraf | Additional Director (w.e.f. 10-02-2018) |

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

- | |
|--------------------------------------------|
| i) Pondicherry Agro Foods Pvt. Ltd. (PAF) |
| ii) ECA Gases Pvt. Ltd. (ECA) |
| iii) Approach Marketing Pvt. Ltd. (AMP) |
| iv) Saraf Housing Development P. Ltd (SHD) |

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.

	2017-18		2016-17	
	Enterprises over which K.M.P exercise significant influence	Key Management Personnel & their relatives	Enterprises over which K.M.P exercise significant influence	Key Management Personnel & their relatives
Transactions for year ended 31st March:				
Sales of Products	-		-	
Purchase of Goods	1,193,401		1,143,975	
Interest paid	19,069,520		15,786,395	
Managerial Remuneration (incl. perquisites)		3,188,906		4,389,202
Director's Sitting Fees		24,750		34,000
Rent paid				100,000
Outstanding balances as at 31st March:				
Trade Receivables	-		-	
Trade Payables & Other Liabilities	-		-	
Investments	90,000		90,000	
Unsecured Loans received	190,355,961		177,811,766	

- C **Key Managerial Personnel:**
- | | | |
|---------------------------------------------------|-------------------|-------------------|
| | <u>31-03-2018</u> | <u>31-03-2017</u> |
| Managerial Remuneration (Including perquisites) * | 3,188,906 | 4,489,202 |
| * Excluding gratuity, leave encashment provisions | - | - |
| Rent paid | | 100,000 |
- 47 Foreign Currency exposure in respect of Sundry Creditors amounting to Rs.Nil (Previous Year Rs.Nil) are unhedged as on the Balance Sheet date.

- 48 Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule III to the Companies Act, 2013 are follows:

A	C.I.F. value of imports by the Company	3/31/2018	31-03-2017
	Raw Materials:	Rs.	Rs.
	Calcium Carbide	7,007,459	5,403,126
B.	Expenditure in foreign currency during the year:	-	-

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

	Value Rs.		Percentage (%)	
	3/31/2018	31-03-2017	3/31/2018	31-03-2017
Raw Materials :				
Imported	7,007,459	7,554,279	57.09%	79.82%
Indigenous	5,265,976	1,910,286	42.91%	20.18%
	12,273,435	9,464,565	100%	100%
Stores and Spares:				
Imported	-	-	-	-
Indigenous	4,940,686	5,014,153	100.00%	100.00%
	4,940,686	5,014,153	100.00%	100.00%

49 Standards issued but not yet effective

The new standards issued as well as amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 for implementation of the following new Accounting standard w.e.f. 1st April 2018:

Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company currently assessing the potential impact of this standard.

- 50 The previous figure has been reclassified- rearranged - regrouped wherever necessary

As per our report of even date annexed.,

For JITENDRA K AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration 318086E

(SAJAL GOYAL)
Partner
Membership No. 523903
Camp : Chennai
Date : 26th May 2018

For and on behalf of the Board
for NATIONAL OXYGEN LTD

G.N. SARAF
Chairman
DIN: 00007320

RAJESH KUMAR SARAF
Managing Director
DIN: 00007353

NATIONAL OXYGEN LIMITED

Regd. Office: Flat No.18, First Floor, Arihant Jashn (Old No.121), New No. 38, Rukmani
Lakshmiipathy Salai, Egmore, Chennai - 600 008
CIN:L24111TN1974PLC006819

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L24111TN1974PLC006819

Name of the Company : National Oxygen Limited

Registered Office: Flat No.18, First Floor, Arihant Jashn

(Old No.121), New No.38, Rukmani Lakshmiipathy Salai, Egmore, Chennai-600 008

Name of the Member (s):

Registered address:

E-mail Id:

Folio No. / Client Id:

DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name

Address:

E-mail Id

Signature:.....or failing

2. Name:

Address:

E-mail Id

Signature:.....or failing

3. Name:

Address:

E-mail Id

Signature:.....or failing

As my /our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 43rd Annual General Meeting, to be held on Monday, the 19th September 2018 at 10.00 a.m. at North Madras Arya Vysya Sangam " Vasavi Kalyan Mahal" No.43-A, Bharathiar Street, Vivekananda Nagar, Chennai- 600118 and at any adjournment thereof in respect of such resolutions as are indicated below:

Description of Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Resolution 1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, the Reports of the Board of Directors and the Auditors thereon,		
Ordinary Resolution 2. Re-appointment of Mr.GajanandSaraf(having DIN 00007320) , who retires from office by rotation and being eligible offers himself for reappointment.		
ordinary Resolution special business 3. Appointment of Ms.SaritaSaraf as the Director of the Company		
Ordinary Resolution -special business 4. Appointment of Ms.Mona Milan Parekh as the independent director of the company for the period of five years		
Special Resolution 5. Consider and approve investment limit u/s/186 of the Companies Act 2013		
Special Resolution 6. consider and approve the reappointment of Mr.D.M.Mohunta as an independent director of the company		

Signed thisday of2018

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

1 Re
Revenue
Stamp

NATIONAL OXYGEN LIMITED

Regd. Office: Flat No.18, First Floor, Arihant Jashn (Old No.121), New No. 38,
Rukmani Lakshmipathy Salai, Egmore, Chennai - 600 008
CIN:L24111TN1974PLC006819

ATTENDANCE SLIP

I hereby record my Presence at the 43rd Annual General Meeting of the Company
being held at North Madras Arya Vysya Sangam " Vasavi Kalyan Mahal " No.43-A,
Bharathiar Street, Vivekananda Nagar, Chennai – 600118 on Wednesday, the 19th
September, 2018 at 10.00 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

[CIN L24111TN1974PLC006819]

Regd. Office: Flat No.18, First Floor, Arihant Jashn (Old No.121), New No. 38, Rukmani Lakshmipathy Salai,
Egmore, Chennai - 600 008.

E-mail: contact@nolgroup.com, Website: www.nolgroup.com Phone: 044-28520096

BALLOT FORM (In lieu of e-voting)

1	Name and Registered Address of the sole / First Named Shareholder (In block letters)	
2	Name(s) of Joint Shareholder(s), if any	
3	Registered Folio No./ DP ID No. / Client ID No.	
4	Number of Share held	

I/We hereby exercise my/ our vote in respect of the Resolutions to be passed at the 43rd Annual General Meeting of the Company to be held on 19th September, 2018 for the business stated in the Notice of the meeting dt.11.08.2018 by conveying my /our assent or dissent to the said Resolutions by placing tick mark at the appropriate box below:

Resolution No.	Description of Resolution	Type of Resolution	Number of shares held	I/We assent to the Resolution (FOR)	I/we dissent to the Resolution (AGAINST)
1	Adoption of audited financial statements for the financial year ended 31 st March, 2018	Ordinary			
2	To appoint a director in the place of Mr.GajanandSaraf, who retires by rotation and being eligible, offers himself for reappointment	Ordinary			
3	To appoint Ms. SaritaSaraf as a Director of the Company	Ordinary			
4	To appoint Ms. Mona Milan Parekh as the Independent Director of the Company for the period of five years	Ordinary			
5	To consider and approve the increase of Investment limit u/s 186 of the company Act 2013	Special			
6	6-To consider and approve the reappointment of Mr.D.M.Mohunta as an independent director of the company	Special			

Place

Date:

(Signature of the Shareholder)

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate affairs has taken a Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measures, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e-mail id to the Company's Registrar and Share Transfer Agent, M/s Cameo Corporate services Ltd, to the e-mail ID, murli@cameoindia.com

The Annual Report of the Company will be available in the Company's Website www.nolgroup.com

Even after registering for e-communication, members are entitled to receive such communication in Physical form, upon making a request for the same at Company's e-mail id-contact@nolgroup.com

For members who not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

BOOK POST

To

if undelivered, please return to
NATIONAL OXYGEN LIMITED
1B, 1st Floor, Arihant Jashn, New No.38, Old No.121,
Rukmani Lakshmipathy Road, Egmore, Chennai - 600 008.