

BOARD OF DIRECTORS

Shri. G.N. SARAF

Managing Director

Smt. VEENA DEVI

Shri.RAJESH KUMAR SARAF

Joint Managing Director

Shri. P. SIVA

Dr. D.M. MOHUNTA

Shri. ANIL SETH

REGD. & ADMINISTRATIVE OFFICE

CIN No.L24111TN1974PLC006819
80, (Old No.141), Greams Road, Chennai – 600 006.
Phones:28290707 Fax: (044) 28290770
E-mail: contact@nolgroup.com
Website: www.nolgroup.com

FACTORIES

1. Trichy – Pudukkottai Road, Mathur - 622515
2. Pondy – Villupuram Road, Thiruvandar Koil, Puducherry-605102.
3. R.5, Sipcot industrial Growth Centre, Perundurai-638052

REGISTRAR AND SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICE LIMITED
“Subramanian Buildings”, 1, Club House Road, Chennai-600 002. Phone: 28460390.
Mail : cameo@cameoindia.com

AUDITORS

M/s. SINGHI & CO.,
Chartered Accountants
Unit-II-D, 11th Floor,
Ega Trade Centre,
809, Poonamallee High Road,
Kilpauk, Chennai - 600 010.

SECRETARIAL AUDITORS

Lakshmmi Subramanian & Associates
“Murugesu Naicker Office Complex”
No.81, Greams Road, Chennai-6

BANKERS

Punjab National Bank
No.9, Nungambakkam High Road,
Nungambakkam,
Chennai-34

NATIONAL OXYGEN LIMITED
CIN : L24111TN1974PLC006819
NO.80 (OLD No.141), GREAMS ROAD, OPP. GREAMS ROAD POST OFFICE
CHENNAI-6

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 40th Annual General Meeting of National Oxygen Limited will be held at Hotel Kanchi, 28, Commander-in-chief Road, Egmore, Chennai – 600105 on Saturday, September 26th, 2015 at 9.30 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, 2015, the Reports of the Board of Directors and the Auditors thereon,
2. To appoint a Director in the place of Smt. Veena Devi Saraf (having DIN 00007376), who retires from office by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution.

RESOLVED THAT in terms of the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act 2013 read with underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of Members at the 39th Annual General Meeting held on 12th September, 2014, the appointment of M/s. Singhi & Co. Chartered Accounts (Registration No. 302049E) as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 41st Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.

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

**Sd/-
Rajesh Kumar Saraf
Joint Managing Director**

Place: Chennai
Date: 06.08.2015

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

1. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purpose.
2. The Register of Members and Transfer Books of the Company will remain closed from Saturday, 19th September 2015 to Saturday, 26th September 2015 (both days inclusive) for the purpose of AGM.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : grievancesredressal@nolgroup.com
5. 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.
6. Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.
7. Details of Dividend declared from the financial year 2004-2005 onwards is as follows:

Financial Year	Declared on	Rate of Dividend	Amount of Dividend per share
2004-2005	16.09.2005	20%	Rs.2.00
2005-2006	22.09.2006	20%	Rs.2.00

2006-2007	10.03.2007	20%	Rs.2.00 (Interim Dividend)
2007-2008	19.09.2008	20%	Rs.2.00
2008-2009	18.09.2009	10%	Re.1.00
2009-2010	17.09.2010	10%	Re.1.00
2010-2011	03.11.2011	10%	Re.1.00
2011-2012	03.05.2012	10%	Re.1.00 (Interim Dividend)
2012-2013	25.09.2013	10%	Re.1.00
2013-2014	Dividend not declared		
2014-2015	Dividend not declared		

Members who have not encashed their dividend warrants (issued after 2006-07) pertaining to the aforesaid years may approach the company or Registrar for obtaining payment thereof.

8. Information about Director retired by rotation.

- | | | |
|----|--|--|
| a | Name of the Director | Smt.Veena Devi Saraf |
| b. | DIN | 00007376 |
| c | Age | 75 Years |
| d | Date of appointment | 11.10.1989 |
| e | Experience | 25 years |
| f | No. of shares as on 31st March 2014 | 361871 (7.5354%) |
| g | Directorship in other public companies | Nil |
| h | Chairman/Member of Committees of Companies | Nil |
| i. | Relationship with any other Director | Wife of Shri. G.N.Saraf and
Mother of Shri R.K. Saraf |

9. 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.

10. 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 40th 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 23.09.2015 at 9.00 a.m. and ends on 25.09.2015 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) 19.09.2015, 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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<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.
	<ul style="list-style-type: none"> ● 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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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

11. 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, ie voting 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 19.09.2015.

A Member desiring to exercise vote by ballot paper should complete this Ballot Form and sent it to : National Oxygen Limited, No.80,(Old No.141), Greams Road, Chennai-600006.

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 25.09.2015

The facility of for 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 despatch of the notice and holding shares on the cut-off date i.e. 19.09.2015 may obtain the login ID and password by sending an email to investor@cameoindia.com or helpdeskevoting@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 Limited simultaneously, where the company's shares are listed.

By and on behalf of Board of Directors

Place : Chennai
Date : 06.08.2015

**Sd/-
Rajesh Kumar Saraf
Joint Managing Director**

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting 40th ANNUAL REPORT of your Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st March, 2015. The summarized financial results for the Financial Year are as under:

FINANCIAL SUMMARY

	2014-2015 (Rs in lakh)	2013-2014 (Rs in lakh)
Gross Profit /(Loss)	(676.97)	(374.67)
Depreciation	(417.31)	(386.44)
Profit / (Loss) before tax	(1094.28)	(761.11)
Provision for Income tax	-	(1.006)
Provision for Fringe Benefit Tax	-	-
Provision / Release of Deferred Tax	(11.28)	236.47
Net profit for the year	(1083.00)	(525.64)
Balance brought forward from the earlier year	(219.74)	305.90
	(1302.74)	(219.74)

PERFORMANCE AND STATE OF COMPANY'S AFFAIRS OF THE COMPANY

During the year under review, the Company has incurred net loss Rs.1083,00,000 as against loss of Rs5,25,65,000 in the previous year. Even though the total revenue of the Company has increased while comparing the previous year, the rise in loss was mainly due to increase in cost of Power & Fuel etc comparing to the previous year. No material changes have occurred or commitments made affecting the financial position of the company, between the end of the financial year of the company to which the financial statements relate and the date of the report

BUSINESS OPERATIONS:

Industrial Gases

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 rated capacity. Your Company is working at its market front since the supply of oxygen and nitrogen has increased compared to previous year.

Windmill

The power generation is normal and we expect the generation of power will improve in the coming months

DIVIDEND

Considering the current and accumulated losses of your Company , the Board of Directors is not recommending any dividend for the year 2014-2015.

TRANSFER OF PROFITS TO RESERVES

During the year your company has met net loss of Rs . 10,83,00,783/- which has been transferred to reserve account as ' Debit balance in statement of profit and loss'

MATERIAL CHANGES AND COMMITMENTS OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015 and the date of the Report 06.08.2015)

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:

Particulars	Number	Amount
Loan Given	NIL	NIL
Investment made Unquoted Investments in Equity Instruments		
i) Pondicherry Agro Foods Pvt Ltd	9000 shares (Face value Rs.10/-)	90000.00
ii) Beta Wind Farm Pvt Ltd	168421 shares (Face Value Rs.10/-)	31,99,999.00
iii)Clarion Wind Farm Pvt Ltd	231152 Shares (Face Value Rs.10/-)	2311520.00
Investment in Govt.Securities		
iv) National Savings Certificate		5000.00
v) Indira vikas patra		500.00
Guarantee Given	Nil	Nil

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

S.No	Name of Directors	Designation	Date of appointment	Date of resignation
1	Gajanand Saraf	Managing Director	23.12.1974	-
2	Rajesh Kumar Saraf	Joint Managing Director	30.11.1992	-
3	Veena Devi Saraf	Director	11.10.1989	-
4	Perumal Siva	Independent Director	10.01.1994	-
5	Anil Kumar Seth	Independent Director	21.08.1985	-
6	Devmohon Mohunta	Independent Director	10.11.1987	-

Retirement by Rotation

In terms of Section 152 of the Companies Act 2013 Smt. Veena Devi Saraf Who retire by rotation at the forthcoming AGM and is eligible for re-appointment.

DECLARATION OF INDEPENDENT DIRECTORS

As per the Companies Act 2013, your company had appointed three independent directors and they have declared that they meet the criteria of independence in terms of Section 149(6) of the Companies Act 2013 and that there is no change in their status of Independence.

REMUNERATION DETAILS OF DIRECTORS:

Details of Remuneration to Directors	Mr.Gajanand Saraf Managing Director	Mr.Rajesh Kumar Saraf Joint Managing Director
Salary	30,00,000/-	30,00,000/-
PF Contribution	3,60,000/-	3,60,000/-
Others	1,00,000/-	1,00,000/-

INFORMATION U/s 197 (12) OF THE COMPANIES ACT 2013

The information required under section 197 (12) of the Act and read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as Annexure-5.

STATUTORY AUDITORS:

As per the provisions of the Companies Act 2013, M/s Sing & Co, Chartered Accountants, had been appointed as the statutory auditors of the Company to hold office from the conclusion of the 39th Annual General Meeting held on 12.09.2014 till the conclusion of Annual General Meeting to be held in 2017 subject to the ratification of share holders in every Annual General Meeting . The company has received confirmation from the audit firm regarding their consent and eligibility under sections 139 and 141 of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

As required under clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India

The Audit committee and the Board of Directors have recommended to ratify the appointment of auditors for the financial year 2015-16. The necessary resolution is being placed before the shareholder for their approval.

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, the company has appointed, Mrs Lakshmmi Subramanain & Associates , Practicing Company Secretaries to conduct the secretarial audit for the financial year 2014-15.

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

COMMENT ON SECRETARIAL AUDIRTOR REPORT

With reference to the remarks made by the secretarial auditor, Mrs. Lakshmmi Subramanian, Practicing Company Secretary, in her secretarial audit report , the company has taken the corrective measures during the current financial year.

INTERNAL CONTROL AND ITS ADEQUACY

M/s Sivasubramanian & co, Cost Accountants was appointed as internal auditors of the Company. They regularly conduct audit and submit their quarterly reports, which are reviewed by the Audit Committee. 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 of the Board. 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)

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note No.37 of the Notes to the financial statements. Details of the transactions are provided in Form AOC-2 which is attached as Annexure – 3

The Board had approved the Related Party Transactions.

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 4 to this report.

RISK MANAGEMENT POLICY

Your Company has an established Enterprise Risk Management function that engages with all the business verticals for risk assessment , ensures that the risk mitigation plans are in place and validates the risk mitigation status regularly . Action plans are incorporated into the corporate plans of your company. The steering committee consisting of core Business vertical Heads oversees the Risk Management process including risk identification, impact assessment, effective

implementation of the mitigation plans and risk reporting, The Committee, Chaired by the Managing Director, reviews on a quarterly basis the enterprise risks to the achievement of the business objectives. The steering Committee updates the Risk Management committee comprising of independent directors and non-executive director on the enterprise risks and the action taken thereon

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. The Board of Directors are responsible for redressal of complaints related to sexual harassment During the year ended 31 March 2015, the Board did not receive any complaints pertaining to sexual harassment.

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 capital and Net worth is less than Rs.10 Crores and Rs.25 Corers respectively, the provisions of revised clause 49 relating to Corporate Governance, vide SEBI circular dated CIR/CFD/POLICY CELL/7 is not applicable to the Company.

NUMBER OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS:

During the Financial Year 2014-2015, the Board met 4 times as follows:

S No.	Dates of meeting of the Board	Quarter	No of directors on the date of meeting	Total no of directors attended
1.	22.05.2014	First	6	6
2.	28.07.2014	Second	6	6
3.	31.10.2014	Third	6	6
4.	12.02.2015	Fourth	6	6

The meetings of the Board were held periodically and has not lapsed a period of 120 days between two meetings as prescribed under section 173(1) of the Act.

ANNUAL BOARD EVALUATION

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

Role & Accountability

- Understanding the nature and role of Independent Directors' position
- Understanding of risks associated with the business
- Application of knowledge for rendering advice to management for resolution of business issues
- Offer constructive challenge to management strategies and proposals
- Active engagement with the management and attentiveness to progress of decisions taken

Objectivity

- Non-partisan appraisal of issues
- Own recommendations given professionally without tending to majority or popular views

Leadership & Initiative

- Heading Board Sub-committees
- Driving any function or identified initiative based on domain knowledge and experience

Personal Attributes

- Commitment to role & fiduciary responsibilities as Board member
- Attendance and active participation
- Proactive, strategic and lateral thinking

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 clause 49 of the Listing Agreement, 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

BOARD COMMITTEES

The Board had constituted the following committees Viz Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee

AUDIT COMMITTEE:

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

The Audit Committee comprises of Mr. P.Siva, Independent Director as Chairman, Mr.Anil Kumar Seth and Mr. D.M.Mohunta, Independent Directors as members.

All members of the Audit Committee are financially literate and have expertise in accounting / financial management.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 12th September, 2014

The Audit Committee met five times during the year and the time gap between any two meeting did not exceed more than four months

Date of Meetings	Total number of members	No.of members present
22.05.2014	3	3
28.07.2014	3	3
31.10.2014	3	3
12.02.2015	3	3

Terms of reference in brief**Financials**

- Review of the quarterly / half-yearly / annual financial statements with reference to changes, if any in accounting policies and reasons for the same
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.

Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports
- Review of vigil mechanism and above all adequacy of internal control systems
- Review of risk management policies especially enterprise level risk management

Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the company
- uses/application of funds raised through an issue
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors

- Review of other services rendered by the statutory auditors
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports

The audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and provisions of Section 177 of the Companies Act 2013.

NOMINATION AND REMUNERATION COMMITTEE:

Constitution

The Nomination and Remuneration committee comprises of Mr. P.Siva, Independent Director as Chairman, Mr.Anil Kumar Seth and Mr. D.M.Mohunta, Independent Directors as members.

Terms of Reference

- The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Committee shall ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- Review the policy from time to time for selection and appointment of Directors and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions.
- Recommendation to the board with regard to retirement of Directors, liable to retire by rotation and appointment of Executive Directors.
- To determine and recommend to the Board from time to time
 - (a) The amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.

- (b) The amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors
- (c) To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management.
- To determine the need for key man insurance for any of the company's personnel
- To carry out the evaluation of every director's performance
- To carry out any function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modifications as may be applicable.
- Stakeholders' Relationship Committee

(C) Meetings and attendance during the year:

There is no meeting held during the year.

(D) Remuneration policy

The Board has, on the recommendation of the Nomination & Remuneration Committee approved a policy for selection and appointment of Directors, Senior Management and for determining their remuneration.

STAKE HOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and ensuring expeditious share transfers and also redresses the grievances of deposit holders, debenture holders and other security holders.

(A) Composition, Members, its meetings and attendance

This Committee comprises of Mrs. Veena Devi Saraf as Chairman with Mr.Gajanand Saraf and Mr. P.Siva as members of the Committee.

During the year,six meetings of Stake holders Relationship Committee were held as follows;

Name of Member	Category	Meetings held during FY 2015	Meetings attended
Mrs. Veena Devi Saraf	Non-executive Director/ Chairman	6	6
Mr. Gajanand Saraf	Managing Director	6	6
Mr.P.Siva	Independent Director	6	6

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is not mandatorily required to constitute CSR committee since it has not come within the purview of threshold limit specified in section 135 of the Companies Act 2013.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

GENERAL INFORMATION

AGM Date, Time and Venue	26 th September 2015 at 9.30 a.m Hotel Kanchi, No.28, Ethiraj Salai, Egmore Chennai-600 008
Financial Calendar	
1 st Quarter	1 st April to 30 th June
2 nd Quarter	1 st July to 30 th September
3 rd Quarter	1 st October to 31 st December
4 th Quarter	1 st January to 31 st March
Date of Book Closure	19.9.2015 to 26.9.2015
Record Dates	19.9.2015
Dividend Payment date	Not applicable
Listing with Stock Exchanges	Bombay Stock Exchange
Address of the Registered office	No.80 (Old No.141) Greams Road Opp. to Greams Road Post Office Chennai Tamilnadu 600006
E-mail id	contact@nolgroup.com
Web Site	www.nolgroup.com

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from the business constituents during the year under review.

By Order of the Board,

Place : Chennai
Date : 06.08.2015

Sd/-
Rajesh Kumar Saraf
Joint Managing Director
DIN:-00007353

Sd/-
G.N.Saraf
Managing Director
DIN:-00007320

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:

	2014-15	2013-14
Earnings in Foreign Exchange :	NIL	NIL
Expenditure in Foreign Exchange	NIL	NIL
CIP Value of imports	NIL	Rs.1,16,94,084/-

On behalf of the Board

Chennai
Date : 06.08.2015

Sd/-
Rajesh Kumar Saraf
Joint Managing Director
DIN:-00007353

Sd/-
G.N.Saraf
Managing Director
DIN:-00007320

ANNEXURE-2
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015
[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.80(Old No.141), Greams Road
Chennai -600 006

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, 2015 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, 2015 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 to the extent of Regulation 55A;
- (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;
 - (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;
 - (d) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

- (e) Secretarial Standard issued by the Institute of Company Secretaries of India (Not Applicable for the Audit Period);
- (v) There are no laws / Regulations (as amended from time to time), which are specifically applicable to the Company based on their sector / industry, as informed and certified by the management of the Company.

It is reported that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc; as mentioned above except the appointment of Key Managerial Personnel and filing of necessary forms under section 203 of the Companies Act 2013.

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

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014
- (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, the Company is in the process of establishing in certain areas adequate systems and processes and control mechanism to monitor and ensure compliance with applicable general laws including Industrial Laws, Environmental Laws, Human Resources and Labour Laws.

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. No changes in the composition of the Board of Directors that took place during the period.

Adequate 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 year covered under the audit, no events have occurred which have a major bearing on the Company's affairs.

For **LAKSHMMI SUBRAMANIAN & ASSOCIATES**

Sd/-
Lakshmmi Subramanian

Place : Chennai.
Date: 06.08.2015

Senior Partner
FCS No. 3534
C.P.NO. 1087

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

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

Place: Chennai
Date: 06.08.2015

Senior Partner
FCS No. 3534
C.P.NO. 1087

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) East Coast Acetylene Pvt. Ltd (ECA)
 - ii) Approach Marketing Pvt.Ltd (AMP)
 - iii) G.N.Saraf, Managing Director
 - iv) Rajesh Kumar Saraf, Joint Managing Director
 - v) Veena Devi Saraf, Director
 - vi) Relative of Key Management Personnel of the Company
 - b) Nature of transaction
 - i) Purchase of Goods from East Coast Acetylene Pvt.Ltd
 - ii) Interest paid to Approach Marketing Pvt.Ltd
 - iii) Rent Paid
 - iv) Rent Paid
 - v) Rent Paid
 - vi) Rent Paid
 - c) Duration of transaction : One time Transaction
 - d) Salient terms of the transaction including the value, if any:
 - i) Purchase of goods from ECA at market value for Rs. 20,000/-
 - ii) Interest paid to AMP for borrowings at the bank rate Rs.56,43,341/-
 - iii) Rent paid to G.N.Saraf Rs.294000/-
 - iv) Rent Paid to Rajesh Kumar Saraf Rs.306000/-
 - v) Rent Paid to Veenadevi Saraf Rs.294000/-
 - vi) Rent Paid to Relative of Key Managerial Personnel Rs.306000/-
 - e) Date of approval by the Board, if any:
 - f) Amount paid as advance, if any : NIL

Chennai;
Date: 06.08.2015

Sd/-
Rajesh Kumar Saraf
 Joint Managing Director
 DIN:-00007353

On behalf of the Board of Directors
 Sd/-
G.N.Saraf
 Managing Director
 DIN:-00007320

ANNEXURE – 4
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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	No.80 (Old No.141) Greams Road, Opp. Greams Road Post Office, Chennai, Tamilnadu-600006
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	94.99
	Wind Energy	3510	4.86

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

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	0	0	0	0	0	0	0	0	0
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	135993	2000	137993	2.87	143212	2000	145212	3.02	0.15
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	821719	44923	866642	18.05	907149	15320	922469	19.21	1.16
ii) Individual shareholders holding nominal share capital upto Rs. 1 lakh	601198	361794	962992	20.05	547592	354349	901941	18.78	-1.27
c) Others (specify)									
(C-i) Clearing member	486	0	486	0.01	198	0	198	0.004	-0.06
(C-ii) Trust									
(C-iii) Foreign Nationals									
(C-iv) HUF	15151	1964	17115	0.35	14345	1964	16309	0.34	-0.02
(C-v) Non-Resident Indians	9402	0	9402	0.19	8501	0	8501	0.18	-0.02
Others	0	1710	1710	0.03	0	1710	1710	0.04	0
Sub-total (B)(2):-	1583949	412391	1996340	41.57	1620997	375343	1996340	41.57	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1583949	412391	1996340	41.57	1620997	375343	1996340	41.57	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4389880	412391	4802271	100	4426928	375343	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	484062	10.08	0	484062	10.08	0	0
2	Gajanand Saraf	365227	7.6	0	365227	7.6	0	0
3	Veena Devi Saraf	361871	7.53	0	361871	7.53	0	0
4	Sarita Saraf	286198	5.95	0	286198	5.95	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	229885	4.78	0	0
7	Gajanand Saraf-HUF	199326	4.15	0	199326	4.15	0	0
8	East Coast Acetylene 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	1.3	0	62784	1.3	0	0
12	Banitha Agarwal	33600	0.7	0	33600	0.7	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	2805931	58.43	0	0

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

Sl. No.		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	At the beginning of the year	2805931	58.43	2805931	58.43
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No change	No change	No change	No Change
3	At the end of the year	2805931	58.43	2805931	58.43

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	1-F L.Dadabhoy Jt.1 P F Dadabhoy At the beginning of the year	112500	2.34	112500	2.24
	25.04.2014 Transfer	1500	0.03	114000	2.37
	16.05.2014 Transfer	1500	0.03	115500	2.4
	23.05.2014 Transfer	1105	0.02	116605	2.42
	30.05.2014 Transfer	395	0.01	117000	2.43
	25.07.2014 Transfer	5200	0.11	122200	2.54
	08.08.2014 Transfer	2892	0.06	125092	2.6
	14.08.2014 Transfer	235	0	125327	2.6
	22.08.2014 Transfer	1373	0.03	126700	2.63
	05.09.2014 Transfer	500	0.01	127200	2.64
	30.09.2014 Transfer	300	0	127500	2.64
	10.10.2014 Transfer	1500	0.04	129000	2.68
	31.10.2014 Transfer	1861	0.04	130861	2.72
	07.11.2014 Transfer	1019	0.02	131880	2.74
	14.11.2014 Transfer	3207	0.06	135087	2.81
	21.11.2014 Transfer	1256	0.02	136343	2.83
	28.11.2014 Transfer	2462	0.05	138805	2.89
	05.12.2014 Transfer	1187	0.02	139992	2.91

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
	31.12.2014 Transfer	375	0.01	140367	2.92
	09.01.2015 Transfer	122	0.00	140489	2.92
	16.01.2015 Transfer	952	0.02	141441	2.94
	23.01.2015 Transfer	1207	0.03	142648	2.97
	30.01.2015 Transfer	10	0.00	142658	2.97
	06.02.2015 Transfer	904	0.01	143562	2.98
	13.02.2015 Transfer	2005	0.05	145567	3.03
	20.02.2015 Transfer	189	0.00	145756	3.03
	27.02.2015 Transfer	338	0.01	146094	3.04
	06.03.2015 Transfer	136	0.00	146230	3.04
	13.03.2015 Transfer	1764	0.04	147994	3.08
	20.03.2015 Transfer	1437	0.03	149431	3.11
	27.03.2015 Transfer	2940	0.06	152371	3.17
	31.03.2015 Transfer	3402	0.07	155773	3.24
	At the end of the year			155773	3.24
2.	S.Manoharlal				
	At the beginning of the year	105397	2.19	105397	2.19
	At the end of the year	105397	2.19	105397	2.19
	At the beginning of the year	71792	1.49	71792	1.49
	At the end of the year	71792	1.49	71792	1.49
3.	Thakur Prasad				
	At the beginning of the year	92665	1.92	92665	1.92
	At the end of the year	92665	1.92	92665	1.92
4.	S. Shanmuga Sundaram				
	At the beginning of the year	78276	1.63	78276	1.63
	At the end of the year	78276	1.63	78276	1.63
5.	Sicgil India Limited				
	At the beginning of the year	76500	1.59	76500	1.59
	18.07.2014 Transfer	1500	0.03	78000	1.62
	01.08.2014 Transfer	6000	0.12	84000	1.74
	29.08.2014 Transfer	3476	0.08	87476	1.82
	05.09.2014 Transfer	878	0.01	88534	1.83
	12.09.2014 Transfer	2764	0.06	91118	1.89
	30.09.2014 Transfer	372	0.01	91490	1.9

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
	03.10.2014 Transfer	486	0.01	91976	1.91
	10.10.2014 Transfer	1024	0.02	93000	1.93
	At the end of the year	93000	1.93	93000	1.93
6.	S. Dakshayani				
	At the beginning of the year	67616	1.4	67616	1.4
	At the end of the year	67616	1.4	67616	1.4
	S.Dakshayan				
	Jt.1 S.Shanmuga Sundaram				
	At the beginning of the year	15320	0.31	15320	0.31
	At the end of the year	15320	0.31	15320	0.31
7.	Saffiya Banu				
	At the beginning of the year	66049	1.37	66049	1.37
	22.08.2014 Demated	29603	0.61	95652	1.99
	At the end of the year	95652	1.99	95652	1.99
8.	Abdul Rasheed				
	At the beginning of the year	64596	1.34	64596	1.34
	At the end of the year	64596	1.34	64596	1.34
9.	N F Dadabhoy				
	Jt.1 F L Dadabhoy				
	At the beginning of the year	54000	1.12	54000	1.12
	At the end of the year	54000	1.12	54000	1.12
10.	R F Dadabhoy				
	Jt.1 F L Dadabhoy				
	At the beginning of the year	53201	1.1	53201	1.1
	04.04.2014 Transfer	799	0.02	54000	1.12
	At the end of the year	54000	1.12	54000	1.12

(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	Gajanand Saraf				
	At the beginning of the year	365227	7.6	365227	7.6
	At the end of the year	365227	7.6	365227	7.6
	Gajanand Saraf – HUF				
	At the beginning of the year	229555	4.78	229555	4.78
	At the end of the year	229555	4.78	229555	4.78
	Gajanand Saraf – HUF				
	At the beginning of the year	199326	4.15	199326	4.15
At the end of the Year	199326	4.15	199326	4.15	
2	Rajesh Kumar Saraf				
	At the beginning of the year	484062	10.07	484062	10.07
	At the end of they year	484062	10.07	484062	10.07
	Rajesh Kumar Saraf-HUF				
At the beginning of the year	134338	2.79	134338	2.79	
At the end of the year	134338	2.79	134338	2.79	
3	Veena Devi Saraf				
	At the beginning of the year	361871	7.53	361871	7.53
4	P.Siva	0	0	0	0
5	Anil Kumar Seth	0	0	0	0
6	Devmohan Mohunta	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	27,53,12,651	4,89,00,388	0	32,42,13,039
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)	27,53,12,651	4,89,00,388	0	32,42,13,039
Change in Indebtedness during the financial year				
· Addition		5,70,94,189	0	5,70,94,189
· Reduction	52,75,019		0	5,54,82,306
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	27,00,37,632	10,59,94,577	0	37,60,32,209
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

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

SI.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.Gajanand Saraf - MD Mr. Rajesh Kumar Saraf- JMD Provident Fund Contribution Mr. Gajanand Saraf- MD Mr. Rajesh Kumar Saraf-JMD Other perquisites Mr.Gajanand Saraf – MD Mr. Rajesh Kumar Saraf- JMD	30,00,000 30,00,000 3,60,000 3,60,000 1,00,000 1,00,000
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission as % of profit - others, specify...		Nil
5	Others, please specify		Nil
	Total (A)		69,20,000
	Ceiling as per the Act		84,00,000
B. Remuneration to other directors:			
SI.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 P.Siva Anil Kumar Seth Devmohan Mohunta	10750/- 7000/- 7000/-
	Total (1)		24750/-
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	Sitting fees Smt. Veena Deve Saraf	7000/-
	Total (2)		7000/-
	Total (B)=(1+2)		31750/-
	Total Managerial Remuneration		69,51,750
	Overall Ceiling as per the Act		84,00,000

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

SI.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		Nil Nil Nil	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)		Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT)	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 : 06.08.2015

Sd/-
Rajesh Kumar Saraf
Joint Managing Director
DIN. 00007353

Sd/-
G.N.Saraf
Managing Director
DIN. 00007320

ANNEXURE-5

The information required under section 197 of the Act 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. Gajanand Saraf (Managing Director)	23.07
Mr. Rajesh Kumar Saraf (Joint Managing Director)	23.07

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

Nil

d. The number of permanent employees on the rolls of the company:

107

e. The explanation on the relationship between average increase in remuneration and Company performance:

No such increment has been given to employees during the year. In order to ensure that remuneration reflects company performance, the performance pay is also linked to organization performance, apart from an individual performance.

f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Aggregate remuneration of Key Managerial Personnel in FY - 14-15 (Managing Director & Joint Managing Director)	69,20,000/-
Revenue	28,30,17,591/-
Remuneration to KMPs (as % of Revenue	2.45
Profit / (Loss) before tax	(10,94,28,914/-)
Remuneration to KMPs as % of Profit before Tax	Nil

g- Variations in the market capitalization of the Company, Price earning ratio as at the closing date of the current financial year and previous financial year

Particulars	31.03.2015	31.03.2014	% Chance
Market Capitalisation	23,05,09,008/-	24,17,94,345/-	4.67
Price earning ratio	(22.55)	(10.95)	(105.94)

h-Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Particulars	31.03.2015	30.07.2012 (right issue)	% of change
Market Price BSE	48.00	50.00*	4.00

* Face value Rs.10.00 + Premium Rs. 40.00

- i. 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 annual increase to employees and Managerial personnel has been given to for the past two years.

- J. Comparison of each remuneration of the Key Managerial personnel against the performance of the Company:**

The Company has only one KMP viz Managing Director. Hence the question of comparison of each remuneration of the KMP against the performance of the company does not arise.

- k. The key parameters for any variable component of remuneration availed by the directors:**

No such variable component of remuneration has been given to directors except salary and sitting fee.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

None.

- m. 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

- n. None of the other employee is in receipt of remuneration exceeding 5,00,000/-p.m or 60,00,000/-p.a. as prescribed under Sub rule 2 of Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.**

Place : Chennai
Date : 06.08.2015

Sd/-
Rajesh Kumar Saraf
Joint Managing Director
DIN. 00007353

Sd/-
G.N.Saraf
Managing Director
DIN. 00007320

**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 31st March 2015, which comprise the Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone 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 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 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements :

As required by the Companies (Auditor's Report) Order ,2015 ('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 the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

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 ;

The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (b) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (c) There are no observations or comments on financial transactions or matters which , in our opinion, may have any adverse effect on the functioning of the Company
- (d) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 33 to the financial statements;

The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **SINGHI & CO.**,
Chartered Accountants
Firm Regn No. 302049E

Sd/-
(SUDESH CHORARIA)
Partner
Membership No. 204936

Place : Chennai
Date : 29th May 2015.

ANNEXURE 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 31st March 2015)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b) The Fixed Assets of the Company have been physically verified by the management, wherever possible, at the close of the year as confirmed by the management. As informed to us, no material discrepancy has come to notice on such physical verification;
- ii) a) The management has conducted Physical verification of Inventories, wherever possible, at all its locations at reasonable intervals during the year
- b) The procedures of physical verification of stock followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business ;
- c) The company is maintaining proper records of inventory. As far as we can ascertain and according to the information and the explanations given to us, the discrepancies noticed between the physical stocks and book stocks were not material and the same have been properly dealt with in the books of account.
- iii) 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) On the basis of checks carried out during the course of audit and as per explanations given to us, in our opinion, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the sale of goods and services. During the course of our Audit, no major weakness or continuing failure to correct any major weakness has been noticed in the internal control system in respect of these areas;
- 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 has made and maintained proper 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 in respect of the products manufactured by it, but no detailed examination of such records have been carried out by us.

ANNEXURE 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, 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 31st March 2015 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, or Cess on account of any dispute as on 31st March 2015, 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 Commissioner (Appeals) for Excise duty demanded on the rental / facility charges being charged	13.11	Aug'2002 to June'2004	CESTAT, Southern Bench
Central Excise Act, 1944	Cenvat credit availed on Cryogenic Tank being disputed	5.23	Mar'2005 to Nov'2005	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the favourable order passed by CESTAT in respect of 8% duty demanded on supply to ISRO under Nil rate of duty while availing Cenvat Credit	5.71	2000-01	Madras High Court
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.20	Sept'2006 to Mar'2007	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Holding / facility charges being charged	1.67	May'2006 to Aug'2006	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	4.09	2002-03 to 2004-05	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.81	Nov'2005 to Aug'2006	CESTAT, Southern Bench

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

Service Tax	Service Tax demanded on the Lease charge income received	11.32	2002-03 & 2003-04	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	6.95	2004-05 & 2005-06	CESTAT, Southern Bench
Customs Act, 1961	Differential Customs Duty on Import of Second hand Plant (including Interest & Penalty)	88.23	1994-95	CESTAT, Southern Bench

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been so transferred to such fund within time.
- viii) The Company has accumulated losses of Rs.1302.75 Lacs and has incurred cash loss of Rs.676.97 Lacs in the current financial year and Rs.374.68 Lacs in the immediately preceding financial year;
- ix) Based on our audit procedures, and as per the information and explanations given to us by the management, though there have been delays in repayment of dues during the year, as at the year end the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders;
- x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) The existing term loans as well as the term loans raised during the year have been utilized for the purpose for which the Term Loan were raised .
- xii) 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;

For **SINGHI & CO.**,
Chartered Accountants
Firm Regn No. 302049E

Sd/-
(SUDESH CHORARIA)
Partner
Membership No. 204936

Place: Chennai
Date : 29th May 2015.

BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31-03-2015 Rs.	As at 31-03-2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	48,022,710	48,022,710
Reserves and Surplus	'3'	13,350,584	127,452,691
		61,373,294	175,475,401
Non-Current Liabilities			
Long-term Borrowings	'4'	302,862,211	259,258,090
Deferred Tax Liabilities (Net)	'5'	11,947,000	15,862,000
Other Long-term Liabilities	'6'	11,490,221	10,826,530
Long-term Provisions	'7'	3,424,108	2,862,633
		329,723,540	288,809,253
Current Liabilities			
Short-term Borrowings	'8'	73,169,998	64,954,949
Trade Payables	'9'	31,807,307	31,940,630
Other Current Liabilities	'10'	76,120,694	62,481,658
Short-term Provisions	'11'	1,308,921	1,803,893
		182,406,920	161,181,130
		573,503,754	625,465,784
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	487,592,445	524,239,892
Intangible Assets	'13'	120,164	1,888,810
Capital Work-in-Progress	'14'	-	-
Non-Current Investments	'15'	5,607,019	7,721,285
Long-term Loans and Advances	'16'	12,695,911	4,734,129
		506,015,539	538,584,116
Current Assets			
Inventories	'17'	5,556,762	7,089,892
Trade Receivables	'18'	35,952,779	44,166,702
Cash and Bank Balances	'19'	7,889,918	7,728,380
Short-term Loans and Advances	'20'	15,090,926	25,942,505
Other Current Assets	'21'	2,997,830	1,954,189
		67,488,215	86,881,668
		573,503,754	625,465,784
Significant Accounting Policies	'1'		

The accompanying notes are an integral part of the financial statements

As per our report annexed.,
For SINGHI & CO.,

Chartered Accountants
Firm Regn. No. 302049E
(SUDESH CHORARIA)
for NATIONAL OXYGEN LTD
Partner
Membership No. 204936

For and on behalf of the Board

Sd/-
G.N. SARAF
Chairman & Managing Director

Sd/-
RAJESH KUMAR SARAF

Joint Managing Director

Place : Chennai
Date : 29th May 2015

Statement of Profit and Loss for the year ended 31st March, 2015

	Note No.	For the year ended 31-03-2015 Rs.	For the year ended 31-03-2014 Rs.
REVENUES			
Gross Revenue from Operations	22'	308,124,323	279,627,539
Less: Excise Duty		26,795,678	21,599,139
Net Revenue from Operations		281,328,645	258,028,400
Other Income	23'	1,688,946	997,361
Total Revenues		283,017,591	259,025,761
EXPENSES			
Purchases of Stock-in-Trade		-	-
Cost of Materials Consumed	24'	8,649,847	10,127,420
Changes in Inventories	'25'	66,335	(2,341,595)
Employee Benefits Expenses	'26'	29,089,701	33,147,819
Power and Fuel	'27'	206,862,664	172,428,810
Finance Costs	'28'	54,261,986	35,661,085
Depreciation and Amortization	'29'	41,731,501	38,643,794
Other Expenses	'30'	51,784,472	47,469,993
Total Expenses		392,446,505	335,137,326
Profit/ (Loss) before Tax		(109,428,914)	(76,111,565)
Tax Expenses:	31'		
Current Tax (Including for earlier years)		-	100,627
Deferred Tax		(1,128,132)	(23,647,000)
Profit/ (Loss) for the year		(108,300,783)	(52,565,192)
Earnings per Equity Share:			
Basic (')		(22.55)	(10.95)
Diluted (')		(22.55)	(10.95)

The accompanying notes are an integral part of the financial statements

As per our report annexed.,
For SINGHI & CO.,

Chartered Accountants
Firm Regn. No. 302049E

(SUDESH CHORARIA)
Partner
Membership No. 204936
Place : Chennai
Date : 29th May 2015

For and on behalf of the Board

Sd/-
G.N. SARAF
Chairman & Managing Director
for NATIONAL OXYGEN LTD

Sd/-
RAJESH KUMAR SARAF
Joint Managing Director

NOTES TO THE FINANCIAL STATEMENTS

Nature of Operations:

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

Basis of Preparation :

The financial statements have been prepared to comply in all material respects with the accounting principles generally accepted in India, including mandatory Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof under the historical cost convention and on an accrual basis. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous year .

All Assets and Liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria specified in Schedule III to the Companies Act, 2013. The company has presently determined 12 months as the normal Operating cycle for the purpose of classification of current and non current Assets and Liabilities.

1. Significant Accounting Policies

- A RECOGNITION OF INCOME & EXPENDITURE:** The company follows the Mercantile system of accounting and recognizes Income and Expenditure on accrual basis, except those with significant uncertainties.
- B FIXED ASSETS:**
- a) Fixed Assets are stated at cost net of Cenvat & Value added tax, depreciation and impairment. Cost of acquisition includes duties, taxes, incidental expenses, erection / commissioning expenses and interest etc. upto the date the asset is ready for its intended use.
 - b) The Carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital. Based on the review, the management concluded that there was no indication of any impairment as at the Balance Sheet date.
- C DEPRECIATION:**
- a) With effect from 1st April 2014, the company has computed 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. As permitted by the transitional provisions of Schedule II, the Company has decided to adjust the impact of change in useful life arising on its first application amounting to Rs.58,01,324 (Net of Deferred Tax Rs.27,86,868) against the opening Retained Earnings. 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.
- D INVESTMENTS:**
- a) Quoted / Unquoted Long term Investments are stated at cost unless there is a decline, other than temporary, in the value thereof, which is duly provided for in the Accounts.
 - b) Current quoted investments are stated at lower of cost or market value on individual investment basis.

E INVENTORIES:

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

F FOREIGN CURRENCY TRANSACTIONS:

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

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

G EMPLOYEE BENEFITS:

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

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

H SALES : Sales is net of discounts and rebate allowed to the customers.

I BORROWING COSTS :Borrowing costs relating to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

J TAXES ON INCOME :

- a) Current Income Tax is provided as per the provisions of the Income tax Act 1961.
- b) Deferred Tax arising on account of timing difference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognised at the income tax rates enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realised in subsequent periods.

K PROVISIONS:

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

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

2. Share Capital:

A. Authorized, Issued, Subscribed and Paid-up Share Capital (In Rupees)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
Authorized: 50,00,000' (Previous year '50,00,000') Equity Shares of Rs.10/- each.	50,000,000	50,000,000
Issued: 48,02,271' (Previous year '48,02,271') Equity Shares of Rs.10/- each - (a)	48,022,710	48,022,710
Subscribed : 48,02,271' (Previous year '48,02,271') Equity Shares of Rs.10/- each fully paid-up	48,022,710	48,022,710
Paid-up: 48,02,271' (Previous year '48,02,271') Equity Shares of Rs.10/- each fully paid-up	48,022,710	48,022,710
	48,022,710	48,022,710

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

	2014-15		2013-14	
	Nos.	Rs.	Nos.	Rs.
Equity Shares outstanding at the beginning of the year	4,802,271	48,022,710	4,802,271	48,022,710
Add: Rights Shares allotted during the year	-	-	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	4,802,271	48,022,710	4,802,271	48,022,710

C. The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

D. The Board of Directors of the Company have not recommended any dividend for the year ended 31st March, 2015 and for the corresponding previous year.

Notes to the Financial Statements (Contd..)

E. Details of shareholders holding more than 5 percent shares of the Company as on reporting date are given below:

Name of shareholder	As at 31-03-2015		As at 31-03-2014	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
1 Rajesh Kumar Saraf	618,400	12.88%	618,400	12.88%
2 Gajanand Saraf	794,108	16.54%	794,108	16.54%
3 Sarita Saraf	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%
Total	2,313,462	48.19%	2,313,462	48.19%

	As at	
	31-03-2015	31-03-2014
3. Reserves and Surplus:	Rs.	Rs.
i) Capital Reserve	4,000,000	4,000,000
ii) Securities Premium Account :		
Balance at the beginning of the year	77,838,890	77,838,890
Add: Received during the year	-	-
	<u>77,838,890</u>	<u>77,838,890</u>
iii) General Reserve		
Opening Balance	67,588,248	67,588,248
Add: Created during the year	-	-
Less: Transitional adjustment of Depreciation on First time implementation of Schedule -II of Companies Act 2013 (Refer Note 1 C)	5,801,324	-
	<u>61,786,924</u>	<u>67,588,248</u>
	143,625,814	149,427,138
iv) Surplus i.e. balance in Statement of Profit and Loss-(b)	(130,275,230)	(21,974,447)
	<u>13,350,584</u>	<u>127,452,691</u>

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

	As at 31-03-2013			As at 31-03-2014			As at 31-03-2015		
	As at	Additions	Deductions	As at	Additions	Deductions	As at	Additions	Deductions
Capital Reserve	4,000,000	-	-	4,000,000	-	-	4,000,000	-	-
Securities Premium Account	77,838,890	-	-	77,838,890	-	-	77,838,890	-	-
General Reserve	67,588,248	-	-	67,588,248	-	-	67,588,248	-	-
	149,427,138	-	-	149,427,138	-	-	149,427,138	-	-

Notes to the Financial Statements (Contd..)

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

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
Opening Balance	(21,974,447)	30,590,745
Add: Profit/ (Loss) for the year	(108,300,783)	(52,565,192)
	(130,275,230)	(21,974,447)
Less: Transfer to General Reserve	–	–
Closing Balance	(130,275,230)	(21,974,447)
4 Long-term Borrowings :		
Secured		
Term Loans:		
From Banks	199,536,427	261,322,614
Less Current Portion disclosed under current liabilities	57,268,793	50,964,912
	142,267,634	210,357,702
Overdraft from Bank against Tangible Collateral Security (OD TCS)	54,600,000	–
	54,600,000	–
	196,867,634	210,357,702
Unsecured		
Inter Corporate Deposits	105,994,577	48,900,388
	105,994,577	48,900,388
	302,862,211	259,258,090

(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 Managing and Joint Managing Director of the Company

5 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	65,277,000	65,055,000
Other Timing Differences	–	–
	65,277,000	65,055,000

Deferred Tax Assets

Expenses/ Provisions Allowable	1,108,000	1,108,000
Carry forward Depreciation Losses	52,222,000	48,085,000
Other Timing Differences	–	–
	53,330,000	49,193,000

Deferred Tax Liabilities (Net)

	11,947,000	15,862,000
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Notes to the Financial Statements (Contd..)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
6 Other Long-term Liabilities		
Trade Payables	-	-
Trade Deposits / Retention Money received	11,490,221	10,826,530
	11,490,221	10,826,530
7 Long-term Provisions		
Provision for Employee Benefits	3,424,108	2,862,633
Other Provisions	-	-
	3,424,108	2,862,633
8 Short-term Borrowings :		
Secured		
Loans repayable on demand (a)		
From Banks	69,030,783	61,276,544
Loans against Fixed Deposits	4,139,215	3,678,405
	73,169,998	64,954,949
(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 Managing Director and Joint Managing Director of the Company		
ii) Loan against Fixed Deposits are secured by way of Lien on the respective Fixed Deposits		
9 Trade Payables :		
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Other Entities	31,807,307	31,940,630
	31,807,307	31,940,630
10 Other Current Liabilities :		
Current maturities of long-term borrowings	57,268,793	50,964,912
Unpaid Dividend	724,797	985,305
Customers' Credit Balances and Advances against orders	134,605	1,051,455
Statutory dues Payables	3,821,566	2,061,504
Other Liabilities	11,381,953	7,418,482
Temporary Book overdraft from a Bank	2,788,980	-
	76,120,694	62,481,658
11 Short-term Provisions :		
Employee Benefits	1,308,921	1,803,893
	1,308,921	1,803,893

Notes to the Financial Statements (Contd.)

12 Tangible Assets

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

Rs.

Asset description	Original Cost		Accumulated Depreciation		Accumulated Impairment		Net Carrying Amount	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Leasehold Land	12,037,345	12,037,345	2,306,203	1,708,724	–	–	9,731,142	10,328,621
Freehold Land	2,613,022	2,613,022	–	–	–	–	2,613,022	2,613,022
Buildings	84,343,278	83,302,451	15,291,483	12,025,922	–	–	69,051,795	71,276,529
Plant and Equipment	649,451,204	637,338,404	248,341,975	208,202,529	–	–	401,109,229	429,135,875
Furniture and Fixtures	1,600,099	1,600,099	1,113,915	1,021,895	–	–	486,184	578,204
Vehicles	8,209,877	11,042,593	6,377,033	6,472,626	–	–	1,832,843	4,569,966
Office Equipment	11,070,010	10,807,400	8,301,779	5,069,724	–	–	2,768,230	5,737,675
	769,324,834	758,741,313	281,732,389	234,501,421	–	–	487,592,445	524,239,892

Notes to the Financial Statements (Contd..)

(a) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31-03-2015 are as under:

Original Cost

Rs.

Asset Description	As at 31-03-2014	Additions	Disposals	Other Adjustments	As at 31-03-2015
Leasehold Land	12,037,345	–	–	–	12,037,345
Freehold Land	2,613,022	–	–	–	2,613,022
Buildings	83,302,451	1,040,827	–	–	84,343,278
Plant and Equipment	637,338,404	12,112,800	–	–	649,451,204
Furniture and Fixtures	1,600,099	–	–	–	1,600,099
Vehicles	11,042,593	–	2,832,716	–	8,209,877
Office Equipment	10,807,400	262,610	–	–	11,070,010
	758,741,313	13,416,237	2,832,716	–	769,324,834
Previous Year	499,909,733	258,831,580	–	–	758,741,313

Accumulated Depreciation

Asset Description	As at 31-3-2014	Additions	Adjusted against Retained earnings	Deductions/ Other Adjst.	As at 31-03-2015
Leasehold Land	1,708,724	597,479	–	–	2,306,203
Freehold Land	–	–	–	–	–
Buildings	12,025,922	3,243,825	21,736	–	15,291,483
Plant and Equipment	208,202,529	33,426,762	6,712,684	–	248,341,975
Furniture and Fixtures	1,021,895	92,001	19	–	1,113,915
Vehicles	6,472,626	1,159,354	–	1,254,947	6,377,033
Office Equipment	5,069,724	2,116,021	1,116,034	–	8,301,779
	234,501,421	40,635,442	7,850,473	1,254,947	281,732,389
Previous Year	196,285,303	38,216,118	–	–	234,501,421

Notes to the Financial Statements (Contd..)

13 Intangible Assets

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

Rs.

Asset Description	Original Cost		Accumulated Amortization		Accumulated Impairment		Net Carrying Amount	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Computer Software	3,364,195	3,299,063	3,244,031	1,096,059	–	–	120,164	1,888,810
	3,364,195	3,299,063	3,244,031	1,096,059	–	–	120,164	1,888,810

(a) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31-03-2015 are as under:

Original Cost

Rs.

Asset Description	As at 31-03-2014	Other Additions	Disposals	Adjustments	As at 3/31/2015
Computer Software	3,299,063	65,132	–	–	3,364,195
	3,299,063	65,132	–	–	3,364,195
Previous Year	3,261,063	38,000	–	–	3,299,063

Accumulated Amortization

Asset Description	As at 3/31/2014	Additions	Adjusted against Retained earnings	Deductions/ Other Adjst	As at 31-03-2015
Computer Software	1,410,253	1,096,059	737,719	–	3,244,031
	1,410,253	1,096,059	737,719	–	3,244,031
Previous Year	982,577	427,676		–	1,410,253

Note to the Financial Statements (Contd..)**14 Capital Work-in-Progress**

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
Construction Work-in-Progress	-	-
Expenditure during Construction pending allocation - (a)	-	-
(a) Detail of expenditure during construction pending allocation are given below:		
Expenditure during the year:		
Employee Benefits Expenses	-	1,929,930
Power & Fuel	-	18,482,829
Consumption of Stores and Spares	-	1,042,399
Freight and Forwarding Expenses (Net)	-	638,878
Sales	-	(15,958,378)
Travelling & Conveyance	-	521,492
Miscellaneous Expenses	-	1,215,225
Finance Cost	-	8,004,252
	-	15,876,627
Add: Balance brought forward from previous year	-	22,357,107
	-	38,233,734
Less: Amount allocated to Fixed Assets	-	38,233,734
Balance pending allocation	-	-

15 Non-Current Investments

	Face value per Unit	31-03-2015 Nos.	31/03/2014 Nos.	Rs.	Rs.
Investments - Other than Trade					
i. Investments in Equity Instruments Unquoted:					
Pondicherry Agro Foods Pvt Ltd	Rs.10	9,000	9,000	90,000	90,000
Beta Wind Farm Pvt Ltd	Rs.10	168,421	64,515	3,199,999	1,225,785
Clarion Wind Farm Pvt Ltd	Rs.10	231,152	640,000	2,311,520	6,400,000
				5,601,519	7,715,785

Notes to the Financial Statements (Contd..)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
ii. Investments in Government Securities		
Unquoted:		
National Savings Certificate	5,000	5,000
Indira Vikas Patra	500	500
	5,500	5,500
	5,607,019	7,721,285
Aggregate amount of Unquoted Investments	5,607,019	7,721,285
16 Long-term Loans and Advances:		
Unsecured, Considered Good		
Capital Advances	—	—
Security Deposits	12,695,911	4,734,129
	12,695,911	4,734,129
17 Inventories:		
Raw Materials	990,427	2,561,325
(Stock in Transit Rs. Nil)		
Finished Goods	3,491,910	3,562,098
Stores and Spares	1,074,425	966,469
	5,556,762	7,089,892
18 Trade Receivables:		
Outstanding for a period exceeding six months (from the due date)		
Unsecured, Considered Good	5,274,802	4,279,822
Outstanding for a period less than six months		
Unsecured, Considered Good	30,677,977	39,886,880
	35,952,779	44,166,702
19 Cash and Bank Balances:		
Cash and Cash Equivalents		
Balance with Banks:		
Current Accounts	125,698	96,774
Cash on hand	136,066	174,944
	261,764	271,718
Other Balances		
Balance with Banks:		
Unpaid Dividend Accounts	724,797	985,305
Margin Money Deposit Accounts	6,903,357	6,471,357
	7,628,154	7,456,662
	7,889,918	7,728,380

Note to the Financial Statements (Contd..)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
20 Short-term Loans and Advances		
Security Deposits		
Unsecured, Considered Good	3,037,822	2,560,962
Other loans and advances		
Unsecured, Considered Good (a)	11,793,963	23,310,664
Advance Income Tax & TDS (net of provision)	259,141	70,879
	15,090,926	25,942,505
(a) Other loans and advances mainly include prepaid expenses, advances to suppliers and service providers, advance and loans to employees, CENVAT/ VAT/ Service Tax credit receivable, etc.		
21 Other Current Assets		
Interest Accrued on Deposits	2,997,830	1,954,189
Other Receivables	-	-
	2,997,830	1,954,189
22 Revenue from Operations:		
a) Sale of Products		
Sale of Industrial Gases	288,505,254	273,721,268
Sale of Wind Energy	14,757,494	16,991,117
Sales of other products	460,691	693,473
	303,723,438	291,405,858
Less: Transfer to Capital Work-in-Progress	-	15,958,378
Less: Excise Duty	26,795,678	21,599,139
	276,927,760	253,848,341
b) Facility Charges/ Cylinder holding charges etc	3,957,408	3,239,915
c) Other Operating Revenues		
Liabilities/ Provisions no longer required written back	156,278	263,844
Bad Debts Recovered	-	356,760
Miscellaneous Receipts and Claims	287,199	319,540
Net Revenue from Operations	281,328,645	258,028,400
23 Other Income:		
Interest Income		
On Deposits etc (a)	1,631,627	456,561
Gain/ (Loss) on foreign currency transactions and translation (Net)	57,319	-
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	-	540,800
	1,688,946	997,361
(a). Interest Income is gross of tax deducted at source amounting to Rs. 1,60,556 (Previous year Rs.59,580)		

Notes to the Financial Statements (Contd..)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
24 Cost of Materials Consumed:		
Opening Stock	2,561,325	2,612,374
Add: Purchases	7,078,949	10,076,371
	<u>9,640,274</u>	<u>12,688,745</u>
Less: Closing Stock	990,427	2,561,325
	<u>8,649,847</u>	<u>10,127,420</u>
Details of Raw Materials Consumed		
Calcium Carbide	7,508,169	10,076,371
Others	1,141,678	-
25 Changes in Inventories:		
Opening Inventories		
Finished Goods - Industrial Gases	3,562,098	945,527
Stock-in-Trade	-	-
	<u>3,562,098</u>	<u>945,527</u>
Less: Closing Inventories		
Finished Goods - Industrial Gases	3,491,910	3,562,098
Stock-in-Trade	-	-
	<u>3,491,910</u>	<u>3,562,098</u>
	70,188	(2,616,571)
Add: Increase/ Decrease of Excise Duty on Inventories	(3,853)	274,976
	<u>66,335</u>	<u>(2,341,595)</u>
26 Employee Benefits Expenses:		
Salaries and Wages	24,988,721	30,067,725
Contribution to Provident and other Funds	2,585,529	2,782,310
Employees Welfare Expenses	1,515,451	2,227,714
	<u>29,089,701</u>	<u>35,077,749</u>
Less: Transfer to Capital Work-in-Progress	-	1,929,930
	<u>29,089,701</u>	<u>33,147,819</u>
27 Power and Fuel:		
Power and Fuel	206,862,664	190,911,639
Less: Transfer to Capital Work-in-Progress	-	18,482,829
	<u>206,862,664</u>	<u>172,428,810</u>
28 Finance Costs:		
Interest Expenses	53,142,009	42,426,342
Other Borrowing Costs	1,119,977	1,238,995
	<u>54,261,986</u>	<u>43,665,337</u>
Less: Transfer to Capital Work-in-Progress	-	8,004,252
	<u>54,261,986</u>	<u>35,661,085</u>
29 Depreciation and Amortization Expenses:		
Depreciation	40,635,442	38,216,118
Amortization Expenses	1,096,059	427,676
	<u>41,731,501</u>	<u>38,643,794</u>

Notes to the Financial Statements (Contd..)

	As at	
	31-03-2015 Rs.	31-03-2014 Rs.
30 Other Expenses:		
Consumption of Stores and Spares	9,610,015	6,067,717
Repairs to Buildings	1,741,921	1,746,029
Repairs to Machinery	7,345,014	4,660,038
Rates and Taxes	529,601	414,226
Rent	1,213,500	1,222,000
Insurance	505,204	923,547
Auditors' Remuneration - (a)	142,135	158,428
Travelling & Conveyance Expenses	1,583,687	2,513,508
Freight and Forwarding Expenses (Net)	17,101,034	18,252,560
Directors' Remuneration	6,000,000	4,640,000
Directors' Sitting Fees	31,750	34,750
(Gain)/ Loss on foreign currency transactions and translation (Net)	-	1,452,404
Loss/ (Profit) on Fixed Assets sold / discarded (Net)	565,269	-
Miscellaneous Expenses	5,415,340	8,802,779
	<u>51,784,472</u>	<u>50,887,987</u>
Less: Transfer to Capital Work-in-Progress	-	3,417,994
	<u>51,784,472</u>	<u>47,469,993</u>
(a). Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	95,506	95,506
Taxation matters	33,708	33,708
Others	12,921	29,214
	<u>142,135</u>	<u>158,428</u>
31 Tax Expenses		
Current Tax		
Current Tax for the year	-	-
Current Tax adjustments for earlier years (Net)	100,627	-
	<u>-</u>	<u>100,627</u>
Deferred Tax		
Deferred Tax for the year	(3,915,000)	(23,647,000)
Deferred Tax adjustments for earlier years (Net) (Refer Note 1 C)	2,786,868	-
	<u>(1,128,132)</u>	<u>(23,647,000)</u>

Notes to the Financial Statements (Contd..)**32** Disclosure required by Accounting Standard (AS) 15 (Revised) on "Employee Benefits":

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

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

	Year ended	
	31-03-2015	31-03-2014
	(Rs. in Lacs)	
(a). Change in Defined Benefit Obligations:		
Present value of Defined Benefit Obligations at the beginning of the year	46.67	44.28
Current Service Cost	3.06	3.47
Interest Cost	4.19	3.41
Actuarial Loss / (Gain)	(6.59)	(1.24)
Benefits Paid	-	(3.25)
Present value of Defined Benefit Obligations at year end	<u>47.33</u>	<u>46.67</u>
(b). Change in Fair value of Plan Assets:		
Fair value of Plan Assets at the beginning of the year	-	-
Actuarial Gain/ (Loss)	-	-
Contributions	-	3.25
Benefits Paid	-	(3.25)
Fair value of Plan Assets at the year end	<u>-</u>	<u>-</u>
(c). Amount recognised in Balance Sheet:		
Fair value of Plan Assets at the year end	-	-
Present value of Defined Benefit Obligations at year end	47.33	46.67
Amount recognised in Balance Sheet at year end	<u>(47.33)</u>	<u>(46.67)</u>
(d). Expenses recognised in Statement of Profit and Loss:		
Current Service Cost	3.06	3.47
Interest Cost	4.19	3.41
Actuarial Loss / (Gain)	(6.59)	(1.24)
Expenses recognised in Statement of Profit and Loss during the year	<u>0.66</u>	<u>5.64</u>

	Year ended	
	31-03-2015	31-03-2014
	(Rs. in Lacs)	
(e). Investments details of Plan Assets:		
Government Securities	-	-
(f). Principal Actuarial Assumptions:		
Discount rate	8.00%	9.00%
Salary increase	5.00%	5.00%

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

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

	As at Year ended	
	31-03-2015	31-03-2014
33 Contingent Liabilities and Commitments		
A. Contingent Liabilities		
(a) Claims against the company not acknowledged as debt:		
Excise Duty / Service Tax	5,831,781	5,831,781
Customs Duty	8,823,578	8,823,578
(b). Outstanding Letters of Credit and Bank Guarantees	26,393,246	25,678,576
B. Capital Commitments		
(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

34 Segment Reporting

A. Primary Segment Reporting (by Business Segment):

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

Industrial Gases - Manufacture of Industrial Gases

Windmill - Generation of Windmill energy.

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

	Year ended 31-03-2015			Year ended 31-03-2014		
	Industrial Gases	Wind Mill	Total	Industrial Gases	Wind Mill	Total
REVENUE						
External	266,127,674	14,757,494	280,885,168	240,097,139	16,991,117	257,088,256
Inter Segment	-	-	-	-	-	-
Total	266,127,674	14,757,494	280,885,168	240,097,139	16,991,117	257,088,256
RESULTS						
Segment Results	(63,983,150)	9,708,694	(54,274,456)	(43,549,530)	3,903,233	(39,646,297)
Unallocated Corporate Income			(1,631,627)			(997,361)
Unallocated Corporate Expenses			739,154			193,178
Finance Costs			54,261,986			35,661,085
Tax Expenses (Net)			(1,128,132)			(23,546,373)
Profit for the period			(108,300,783)			(52,565,192)
OTHER INFORMATION						
Assets:						
Segment Assets	555,888,487	16,535,828	572,424,316	605,610,322	18,703,778	624,314,100
Unallocated Corporate Assets			1,079,438			1,151,684
Total Assets			573,503,754			625,465,784
Liabilities:						
Segment Liabilities	194,077,954	-	194,077,954	249,302,528	-	249,302,528
Unallocated Corporate Liabilities			379,425,799			376,163,256
Total Liabilities			573,503,754			625,465,784
Capital Expenditure	13,481,369	-	13,481,369	36,961,213	-	36,961,213
Depreciation and Amortization	41,731,501	-	41,731,501	28,264,030	10,379,764	38,643,794
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	
	31-03-2015	31-03-2014
	(Rs.)	
35 Earning per Share (EPS)		
Profit/ (Loss) for the period Rs.	(108,300,783)	(52,565,192)
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 (₹)	(22.55)	(10.95)
Diluted EPS (₹)	(22.55)	(10.95)

36 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.

37 Related Party Disclosures:

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

a) Key Management Personnel of the Company :-

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

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

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

	2014-15		2013-14	
	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	-		9,665	
Purchase of Goods	-		38,527	
Interest paid	6,199,098		3,333,764	
Managerial Remuneration (incl. perquisites)		8,020,671		6,019,037
Director's Sitting Fees		31,750		34,750
Rent paid		1,200,000		1,200,000
Outstanding balances as at 31st March:				
Trade Receivables				
Trade Payables & Other Liabilities	151,078	598,550	124,703	
Investments	90,000		90,000	
Unsecured Loans received	93,329,395	48,900,388		

38 Foreign Currency exposure in respect of Sundry Creditors amounting to Rs.6.84 Lacs (Previous Year Rs.116.94 Lacs) are not hedged as on the Balance Sheet date.

39 Detail of Raw Material Consumption under broad heads and other particulars are given below:

	2014-15	2013-14
A. C.I.F. value of imports by the Company		
Raw Materials		
(Calcium Carbide)	5,273,835	9,777,898
Capital Goods	7,467,830	1,916,186
Stores & Spares	11,483	-
B. Expenditure in foreign currency during the year:		
Erection and Commissioning Charges	2,588,947	-
Service Expenses	672,535	-

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

	Value Rs.		Percentage (%)	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Raw Materials :				
Imported	7,508,169	9,448,224	86.80%	93.34%
Indigenous	1,141,678	674,264	13.20%	6.66%
	8,649,847	10,122,488		
Stores and Spares:				
Imported	11,483	-	0.12%	-
Indigenous	9,598,532	6,067,717	99.88%	100.00%
	9,610,015	6,067,717		

40 The previous figure has been reclassified/ rearranged / regrouped wherever necessary

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

Sd/-
(SUDESH CHORARIA)
Partner
Membership No. 204936

Place : Chennai
Date : 29th May 2015

For and on behalf of the Board
Sd/-
G.N. SARAF
Chairman & Managing Director
Sd/-
RAJESH KUMAR SARAF
Joint Managing Director

Cash Flow Statement for the year ended 31st March, 2015

A. CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31-03-2015 Rs.	Year ended 31-03-2014 Rs.
Profit / (Loss) before Tax	(109,428,914)	(76,111,565)
Adjustment for :		
Finance Costs	54,261,986	35,661,085
Depreciation and Amortization Expenses	41,731,501	38,643,794
(Profit) / Loss on sale of Fixed Assets (Net)	565,269	(540,800)
Interest & Dividend Income	(1,631,627)	(456,561)
Operating profit before working capital changes	(14,501,785)	(2,804,047)
<u>Changes in working Capital:</u>		
Inventories	1,533,130	(2,700,183)
Trade and other Receivables	18,281,002	(3,520,062)
Long Term Liabilities and Provisions	1,225,166	481,485
Trade and other Payables	6,706,859	(13,020,466)
Cash generation from Operations	13,244,372	(21,563,274)
Payment of Direct Taxes	(259,141)	(2,105,599)
Net Cash generated/ (used) - Operating Activities	12,985,231	(23,668,873)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(13,481,369)	(36,961,212)
Sales / (Purchase) of Investments (Net)	2,114,266	(7,625,785)
Long term Advances made	(7,961,782)	(12,660)
Sale of Fixed Assets	1,012,500	540,800
Interest Received	1,631,627	456,561
Net Cash Generated/ (Used) - Investing Activities	(16,684,758)	(43,602,296)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	111,694,189	89,865,372
Repayment of Long-term Borrowings	(61,786,187)	(31,200,000)
Proceeds/ Repayment of Short-term Borrowings (Net)	8,215,050	50,345,479
Finance Cost Paid	(54,261,986)	(35,661,085)
Dividend Paid (including Dividend Distribution Tax)	-	(5,618,417)
Net Cash Generated/ (Used) - Financing Activities	3,861,066	67,731,349
Net Increase/ (Decrease) in Cash and Cash Equivalents	161,538	460,180
Add : Opening Cash and Cash Equivalents	7,728,380	7,268,200
Closing Cash and Cash Equivalents	7,889,918	7,728,380

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash flow Statement" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures have been regrouped/ rearranged wherever necessary.

As per our report annexed.,
For SINGHI & CO.,
Chartered Accountants
Firm Regn. No. 302049E
Sd/-
(SUDESH CHORARIA)
Partner
Membership No. 204936
Place : Chennai
Date : 29th May 2015

For and on behalf of the Board
Sd/-
G.N. SARAF
Chairman & Managing Director
for NATIONAL OXYGEN LTD

Sd/-
RAJESH KUMAR SARAF
Joint Managing Director

NATIONAL OXYGEN LIMITED

Regd. Office: 80(Old No.141), Greams Road, Chennai- 600 006
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: No.81 (Old No.141, Greams Road,
Opp. Greams Road Post Office, Chennai-6

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 | 2. Name: |
| Address: | Address: |
| E-mail Id | E-mail Id |
| Signature:.....or failing | 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 40th Annual General Meeting, to be held on Saturday, the 26th September 2015 at 09.30 a.m. at Hotel Kanchi, Ethiraj Salai, Egmore, Chennai-600008 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)
1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and the Auditors thereon,		
2. Re-appointment of Smt. Veena Devi Saraf (having DIN 00007376), who retires from office by rotation and being eligible offers herself for reappointment.		
3. Appointment of M/s Singhi & Co, Chartered Accountants as statutory auditors and fixing their remuneration.		

Signed thisday of2015

Signature of shareholder

Signature of Proxy holder(s)

1 Re
Revenue
Stamp

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.

NATIONAL OXYGEN LIMITED

Regd. Office: 80 (Old No.141), Greams Road, Chennai- 600 006
CIN:L24111TN1974PLC006819

ATTENDANCE SLIP

I hereby record my Presence at the Fortieth Annual General Meeting of the Company being held at Hotel Kanchi, 28, Ethiraj Salai, Egmore, Chennai – 600008 on Saturday the 26th September, 2015 at 9.30 a.m

Full Name of the Member attending / Proxy

Signature

Folio No. / DP.ID / CL.ID
No. of Shares held.

NOTE:

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

National Oxygen Limited

[CIN L:24111TN1974PLC006819]

Regd. Office: No.80,(Old No. 141), Greams Road, Chennai 600006

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

Phone: 044-28290707

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 30th Annual General Meeting of the Company to be held on 26th August 2015 for the business stated in the Notice of the meeting dated 06.08.2015 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 31st March 2015	Ordinary			
2	To appoint a Director in place of Smt. Veena Devi Saraf, who retires by rotation and being eligible, offers herself for re-appointment	Ordinary			
3	To appoint M/s Singhi & Co, Chartered Accountants as the Statutory Auditors of the Company	Ordinary			

Place

Date:

(Signature of the Shareholder)