

**THIRTY TWO  
ANNUAL REPORT  
2011 - 12**



**ABC GAS (INTERNATIONAL) LTD**

# ABC GAS (INTERNATIONL) LTD

## BOARD OF DIRECTORS

S.P.Shorewala	Chairman
Satish Shorewala	Whole Time Director
Rohit Shorewala	Director
C. P. Singhania	Independent Director
Dr. Paras Gandhi I	Independent Director
A.S.Ganerawal	Non Executive Director

## REGISTERED OFFICE

1 Mahesh Villa, B. G. Kher Road,  
Worli, Mumbai - 400 018

## BANKER

HDFC Bank Ltd.  
State Bank of India  
Axis Bank Ltd.

## AUDITORS

Bhuwania & Agrawal Associates  
Chartered Accountants  
503/505 J.S. Seth Road,  
Chira Bazar, Mumbai - 400 002.

## REGISTRAR & SHARE TRANSFER AGENT

Sharex (India) Private Limited,  
Unit 1, Luthra Industries Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (East), Mubmai - 400 072.

## NOTICE TO MEMBERS

Notice is hereby given that the Thirty Second Annual General Meeting of the members of **ABC GAS (INTERNATIONAL) LIMITED** will be held on Saturday, the 29th day of September, 2012 at 11.00 a.m. at 1 Mahesh Villa, Worli, Mumbai - 400 018 to transact the following business as:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2012.
2. To appoint a Director in place of Mr. Satish S. Shorewala who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rohith S. Shorewala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS:

#### **TO AUTHORISE TO MORTGAGE AND/OR CHARGE THE PROPERTIES OF THE COMPANY**

5. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any as ordinary resolution:

"**RESOLVED THAT** consent of the members of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company, by way of first/second charge of all the immovable and movable properties of the Company in favour of the Bankers, Financial Institutions, State Financial Institutions, or other lenders, to secure the credit facilities not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores only) for credit facilities sanctioned / to be sanctioned by bankers, institutions etc from time to time to the Company together with interest, further interest, liquidated damages, costs, charges, expenses and all other monies payable by the Company to bankers, institutions etc by the Company in respect of the said limit.

**FURTHER RESOLVED THAT** Board of Directors be and is hereby authorised to finalise the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

#### **TO BORROW MONEY IN EXCESS OF THE AGGREGATE OF THE PAID UP CAPITAL OF THE COMPANY AND FREE RESERVES**

- To consider and, if thought fit, to pass the following resolution with or without modification(s), if any as ordinary resolution:

"**RESOLVED THAT** consent of the members of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the money already borrowed by the Company's bankers, institutions or any other lenders in the ordinary course of business may exceed the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purposes, provided however, the total amount so borrowed shall not exceed Rs. 10,00,00,000/- (Rupees Ten Crores only).

**FURTHER RESOLVED THAT** Board of Directors be and is hereby authorised to finalise the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

By order of the Board  
For ABC Gas (International) Ltd.  
S.P. Shorewala  
Chariman

Mumbai: 01.09.2012

### Registered Office:

1 Mahesh Villa, Worli, Mumbai - 400 018

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXY FORM IS ENCLOSED HEREWITH. PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of members and the share transfer books of the company will remain closed from Tuesday, 25th September, 2012 to Saturday, 29th, 2012 (both days inclusive).
3. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business under Item No. 5 & Item No. 6 is annexed hereto.
4. Members are requested to intimate change in their address.
5. The shareholders are requested to send their request for demat of shares to our Registrar and Share Transfer Agent M/s. Sharex (India) Private Limited, Unit No. 1, Luthra Ind. Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai - 400072 or to the company's registered office to our investors' relations department.
6. Shareholders holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant share certificates to the company's registrar and transfer agents, M/s Sharex (India) Private Limited.
7. Members are requested to bring copies of annual report to the annual general meeting.
8. The member / proxies should bring the attendance slip duly filed in and signed for attending the meeting.
9. Members are requested to quote ledger folio number in their correspondence.
10. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.
11. At the ensuing Annual General Meeting Mr. Satish S. Shorewala and Rohith S. Shorewala, retire by rotation and being eligible offer themselves for re-appointment, the brief resume of directors are as under:

12.

Name	Mr. Satish S Shorewala	Mr. Rohith S Shorewala
Age	56	31
Qualification	BA	BCom, MBA
Expertise in Specific Area	.....	.....
Date of First Appointment on the Board of the Company	17/01/1980	30/09/2009
Name(s) of the other companies in which Directorship held and Committee	ABC Tube Industries Ltd. Delta Pipe Fittings Pvt. Ltd.	ABC Tube Industries Ltd. Sincere Distributors Private Limited. Delta Pipe Fittings Pvt. Ltd.

13. **Green Initiative in Corporate Governance:** *The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Directors' Report, Auditors' Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.*

**ANNEXURE TO THE NOTICE:**

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No. 5 & 6 - Authority to the Board to borrow in excess of paid up capital and free reserves and to authorize to mortgage and/or charge the properties of the Company**

To meet the future needs of the constantly expanding business of the Company and its capacity to utilize the funds effectively and efficiently, it is considered desirable that the Board of Directors should be authorised to borrow from time to time all sum of moneys for the purpose of business of the Company, notwithstanding the money to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Companies bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, upto a limit of Rs. 10 Crores (Rupees Ten Crores only).

Further the Board of Directors should also be authorized to secure the borrowing by creation of mortgages and/or charges on the assets of the Company and/or by issuing Convertible or Non-Convertible Debentures whether to Public or specified individuals, banks, financial institutions, state financial institutions, Mutual Funds or other lenders of such nominal value and on such terms and conditions as to the duration and the manner of redemption or conversion of debentures, the interest payable and as to the security, as may be decided by the Board of Directors of the Company in the best interests of the company.

In terms of Section 293(1)(a) & (d) of the Companies Act, 1956, these require the approval of the members in the General Meeting of the Company. The resolution is proposed for the approval of the members as an ordinary resolution. Hence, your Board recommends passing the above said resolution.

None of the Directors are interested in the above resolution.

By order of the Board  
For ABC Gas (International) Ltd.  
S.P. Shorewala  
CHAIRMAN

Mumbai: 01.09.2012

**Registered Office:**

1 Mahesh Villa,  
Worli, Mumbai - 400 018

**REPORT OF THE BOARD OF DIRECTORS**

To,

The Members

Your Directors have pleasure in presenting the Thirty Second Annual Report of your company together with the Audited Statements of Accounts for the year ended 31st March, 2012.

**FINANCIAL RESULTS**

Particulars	(Rs. In Lacs) 31.03.2012	(Rs. In Lacs) 31.03.2011
Income	6922.16	2403.56
Expenditure	6893.45	2384.72
Profit / ( Loss ) for the year before Tax	28.71	18.77
Less : Provision for Income Tax	7.35	4.68
Profit(loss) brought forward	(35.14)	(49.77)
Transfer to Balance Sheet	(13.25)	(35.15)

**DIVIDEND**

In view of inadequate profits, your Directors are unable to declare any dividend for the year ended 31st March 2012.

**OPERATIONS & CURRENT YEAR PROSPECTS**

During the year your company undertook installation of Reticulated Gas System at various sites. Having gained in experience for providing MEP services, your company is now bidding for various projects in plumbing, firefighting, Electrical & HUAC. Your Company is also exploring the possibility of manufacturing various gas related products & have had discussions with several European companies for possible Joint Ventures.

**FIXED DEPOSITS**

The company has not taken any fixed deposits within the meaning of Section 58A of the Act from public during the year.

**PREFERENTIAL ALLOTMENT**

The Company in the Annual General Meeting held on 30.11.2012 has approved the issue of 30,20,000 convertible warrants under Section 81(1A). However due to adverse marketing condition and slow down of global market, the board decided to withdraw the proposed issue of warrants.

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 Mr. Satish S. Shorewala and Mr. Rohith S. Shorewala , Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

**AUDITORS & AUDITORS REMARKS**

The Auditors M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai 400 002 hold the office until the conclusion of ensuing Annual General Meeting. Your company has received the consent of auditors to be re-appointed as the auditor of the company, if made.

Remarks of the Auditor in the Auditor report are self explanatory in nature and need no further clarification.

**SECRETARIAL AUDIT REPORT**

Compliance Certificate required u/s 383A of the Companies Act, 1956 has been obtained from M/s Anish Gupta & Associates, Practising Company Secretary & is forming part of the Balance Sheet.

**CUSTODIAN AND SHARE TRANSFER AGENT**

Pursuant to the notification of the SEBI and stock exchange, the company has appointed M/s Sharex (India) Private Limited, 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001, as its custodian for dematerialization of shares and transfer of shares.

**MANAGEMENT DISCUSSION AND ANALYSIS**

As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.

**CORPORATE GOVERNANCE**

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

**STATUTORY INFORMATION****Particulars of Employees**

The relations remain cordial throughout the year between employees and the management. The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is NIL.

**Particulars under Section 217 (1) (e) of the Companies Act, 1956**

A Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 forms part of this report, as Annexure.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the 'Directors Responsibility Statement' and confirm that:-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the company, for that period.
- iii) The Directors have taken proper and sufficient care of 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) The Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express their deep sense of appreciation and gratitude to all Employees, Bankers and Clients for their assistance, support and co-operation extended by them. In the end, the Directors, wish to sincerely thank all shareholders for their continued support.

**By order of the Board  
For ABC Gas (International) LTD  
S.P. SHOREWALA  
Chairman**

Place: - Mumbai,

Date: - 01.09.2012

**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

**A. CONSERVATION OF ENERGY**

The capacity of the plant utilized partially, so there was no need to use Generator.

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

Sr. No.	Particulars	31.03.2012	31.03.2011
1	Electricity		
	a. Purchased Units	NIL	NIL
	Total Amount in Rs.	NIL	NIL
	Average Rate	NIL	NIL
	b. Own Generation	NIL	NIL
	Unit per litre of Diesel	NIL	NIL
	Cost per unit	NIL	NIL
2	Coal Specify quality where used	NIL	NIL
	Quantity (Tonnes)	NIL	NIL
	Total Cost	NIL	NIL
	Average Cost	NIL	NIL
3	Furnance oil	NIL	NIL
	Quantity (Lits)	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate	NIL	NIL

**B. TECHNOLOGY ABSORPTION**

Indigenous technology is used. Continuous efforts are being made to improve the quality.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Total Foreign Exchange Used: Rs.0.58 Lacs

Total Foreign Exchange Earned: NIL



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2012.

**INDUSTRY STRUCTURE DEVELOPMENT**

The Company is operating in Copper. It continues to build strong relationships with key customers.

**PERFORMANCE**

The Company is doing trading business in Copper & Copper Alloys Products. Company is looking for trying to explore the manufacturing activities for production of copper items.

**SEGMENT-WISE PERFORMANCE**

The Company is into trading of various copper items.

**OPPORTUNITIES AND THREATS**

The fundamental growth drivers of the country's economy as well as Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Copper Industry in the country is continuously attracting investments from domestic and foreign investors. The Indian economy is expected to grow between 7% to 8 % during this fiscal.

The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices.

**STRENGTH**

The existing management has a strong technical knowledge and experience in the metal industry. Mr. S P Shorewala, Chairman, Shri Satish Shorewala, Managing Director and Mr. Rohit Shorewala, Director are having vast knowledge and expertise in handling the business of the Company. Mr. Chandrakant Singhania, Dr. Paras Gandhi and Mr. Arun Ganerwal are independent and non executive directors are having vast experience and expertise in Business.

**RISKS AND CONCERNS**

Your company is concerned about the wide Fluctuations in Copper prices globally and locally and increase in foreign exchange value.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

**HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS**

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

date : 01.09.2012

Place : Mumbai

For And On Behalf Of Board Of Directors

**S.P.Shorewala**

Chairman

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance:

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders (Banks/Financial Institutions) and the promoters.

### Board of Directors:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has an Executive Chairman, 2 (Two) other Executive Directors, one non executive and two independent Directors.

### Board procedures:

The Managing Director prepares the agenda in consultation with the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are held at the Registered Office of the Company.

### Attendance at Board Meeting:

During the year under review, the Board of Directors met 6 (Six) times on 30th April, 2011, 10th August, 2011, 22nd August, 2011, 28th September, 2011, 22nd October, 2011 and 13th February, 2012.

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 30th November, 2011 is given below:

Name of Director	Type of Director	Board Meeting Attended	AGM Attended	No. of Committee Memberships held (excluding Private Cos.)	No. of outside Directorships Held (excl. Private Cos.)
Mr. Shyamal Prasad Shorewala	Chairman	6	Yes	No	1
Mr. Satish Shorewala	Managing Director	6	Yes	No	1
Mr. Rohith Shorewala	Director	6	Yes	No	1
Mr. Chandraprakash Singhania	Non Executive Independent Director	6	Yes	No	-
Mr. Paras Gandhi	Non Executive Independent Director	6	Yes	No	-
Mr. Arun S Ganerwal	Non Executive Director	6	Yes	No	-

### Brief Resume of Directors seeking re-appointment:

A brief resume of Directors seeking re-appointment at the 32<sup>nd</sup> Annual General Meeting is given in notes to the Annual Report.

### Audit Committee:

The Audit Committee consists of 3 Directors viz.

Sl. No.	Name	Category of Membership
1.	Mr. Chandraprakash Singhania	Chairman
2.	Mr. Satish Shorewala	Member
3.	Mr. Paras Gandhi	Member

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.