

BOARD OF DIRECTORS

SHRI SHARVAN. D. SETHI	-	CHAIRMAN
SHRI SUMEET S. SETHI	-	MANAGING DIRECTOR
SMT. YOGITA S. SETHI	-	DIRECTOR

AUDIT COMMITTEE

SHRI SHARVAN. D. SETHI	-	CHAIRMAN
SHRI SUMEET S. SETHI	-	MANAGING DIRECTOR
SMT. YOGITA S. SETHI	-	DIRECTOR

AUDITORS

M/S. M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS
 AHMEDABAD-380 009.

REGISTERED OFFICE

PLOT NO. 2021, VATVA, G.I.D.C.
 INDUSTRIAL ESTATE.
 AHMEDABAD-382 445.

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NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT TENTH ANNUAL GENERAL MEETING of the member of **AHMEDABAD GASES LIMITED** will be held at the Registered office of the Company on **September 27, 2002 at 4.00 P.M.** to transact the following business.

1. To receive & adopt the Profit & Loss Account for the financial year ended 31st March 2002 the Balance Sheet as at that date and the Reports of the Directors & Auditors thereon.
2. To elect Directors.
3. To appoint Auditors **M/s. M. R. Pandhi & Associates**, Chartered Accountants, Ahmedabad and to fix their remuneration for the year ending 31st March 2002.

SPECIAL BUSINESS

To Consider and, if thought fit, to pass with or without modification (S) the following resolution.

4. As an Ordinary Resolution :

"Resolved that **SHRI TARACHAND MALVIYA** be and is hereby appointed a Director of the company liable to retire by rotation."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members & share Transfer Books of the Company will remain closed from **September 25, 2002 to September 27, 2002** (both days inclusive) in connection with ensuing Annual General Meeting.
3. Members are requested to inform the Company of any change in their address immediately so as to enable the Company for any further communication at their correct addresses.
4. Member holding shares in identical order of names in more than one folio are requested to write to the company enclosing their share certificates to enable the company to consolidate their holdings in one folio.
5. Members/ Proxies are requested to bring the copy of Annual Report and attendance slip duly filled in alongwith them to the Annual General Meeting, as extra copies will not be supplied at the meeting.
6. Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed.

BY ORDER OF THE BOARD

PLACE : AHMEDABAD
DATE : JUNE 30, 2002

Sd/-
(S.D.SETHI)
CHAIRMAN

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No. 4

At present there are three directors on the Board. The clause relating to corporate governance is applicable to the company from the year 2002-2003. To broaden the Board it is necessary to induct independent director. Mr. Tarachand Malviya is an experienced businessman. Your directors recommend the resolution for his appointment. None of the directors is interested or concerned in the said resolution.



REPORT OF THE DIRECTORS

Your Board of Directors take pleasure in presenting 10th Annual Report for the Financial year ended 31st March 2002.

1. PERFORMANCE OF THE COMPANY

Your Company's performance for the year is summarised below.

	(Rupees in Lakhs)	
	2001-2002	2000-2001
Sales / Other Income	158.13	187.18
Profit before depreciation & tax	(0.86)	6.42
Less : Depreciation	35.94	35.98
	<u>(36.80)</u>	<u>(29.56)</u>
Less : Provision for Taxation	NIL	NIL
Profit / (Loss) before Appropriations	<u>(36.80)</u>	<u>(29.56)</u>
Add : Balance of Last year	<u>(46.84)</u>	<u>(17.28)</u>
Balance of Profit Carried to Balance Sheet	<u>(83.64)</u>	<u>(46.84)</u>

2. DIVIDEND

In view of Loss, Your directors do not recommend any dividend for the year.

3. OPERATIONS

The Year under review was full of challenges and obstacles. Due to keen recession and adverse economic conditions of the market, the production and sales of the Company have been adversely affected. Your Company is passing through tough time due to acute recession and liquidity problem in market. disturbances due to post Godhra incidence in Gujrat and particularly in Ahmedabad also affected the working of the company. The turnover reduced by about 15.52% as compared to previous year. Your directions are trying their best to show better performance of the Company in the current year and hope for a better performance in the coming year.

4. DIRECTORS

Mrs. Yogita S. Sethi retires by rotation at ensuing Annual General Meeting and being eligible offers herself for re-appointment.

In order to comply Corporate Governance provisions, the company has decided to induct Mr. Tarachand Malviya as a Director on the Board effective from conclusion from ensuing Annual General Meeting.

5. AUDITORS

The Auditors, M/s. Mr. Pandhi & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

6. PERSONNEL

The Board wishes to place on record its appreciation of the dedication and commitment of employees of your company at all levels. This has contributed immensely to your company's growth.

Presently the company has no employee whose details are required to be furnished under statement giving particulars of employees under section 217 (2A) of the Companies Act, 1956 and the Rules made thereunder.



7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the company confirms :

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at MARCH 31, 2002 and of the profit of the Company for the year ended on that date;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. that the annual accounts have been prepared on a going concern basis.

8. corporate governance

As per clause 49 of the listing Agreement, your company will have to comply the conditions of Corporate Governance within the financial year 2002-2003. your Directors will take necessary steps in this regard.

9. DEPOSITS

The Company has not accepted any deposit from the public during the year under reference.

10. CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Information pursuant to 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 is given in ANNEXURE-A annexed hereto which forms part of this Report.

11. APPRECIATION

The Board takes the opportunity to thank for the continued support of Union Bank of India. Our directors also acknowledge the support received by the company from its suppliers of goods and services, contractors, shareholder and other agencies associated with the company.

BY ORDER OF THE BOARD
Sd/-

PLACE : AHMEDABAD
DATE : JUNE 30, 2002

(S.D.SETHI)
CHAIRMAN

**ANNEXURE-A
REPORT OF THE DIRECTORS**

1. Conservation of energy
 - (a) Energy conservation measures taken NIL.
However Directors personally pay attention so as to minimize consumption of energy.
 - (b) Additional Investments & Proposal, if any, being implemented for reduction of consumption of energy : NIL
 - (c) Impact of measures (a) and (b) (above) due to personal attention of Directors the Company has achieved consistent result.
 - (d) Total energy consumption and energy consumption per unit of production as per Form-A : Not applicable.
2. Technology Absorption :
 - (a) Research & Development
The Company has not so far formally established Research & Development wing.
 - (b) Technology Absorption, Adaptation & Innovation
The Company always keeps itself up dated with the all latest technological innovation by way of constant communications with consulting experts.
Efforts are being made to reduce cost, improve performance etc.
3. Foreign Exchange Earning/Outgo
 - (a) Total foreign exchange used Rs. NIL
 - (b) Total foreign exchange earned Rs. NIL

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AUDITOR'S REPORT

We have audited the attached Balance Sheet of **AHMEDABAD GASES LIMITED, AHMEABAD**, as at 31st MARCH 2002 and also the Profit & Loss Account of the Company for the year ended on that date annexed there to. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statemtns are free of material misstatement. An audit includes examing, in a test basis evidence suporting the amounts and disclosures in the financial statemtns. An audit also includes assessing the accounting principles used and signifcant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion and reprot that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our poinion proper books of account as required by law have been kept by the company so far as it appears form our examination of the books.
3. The Balance sheet and Profit & Loss Account, dealt with by the report, are in agreement with the Books of Accounts.
4. In our Opinion, the Balance Sheet Comply with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
5. As per information furnished to us, none of the Directors of the company is disqualified from being appointed as a Director Under Section 274 (1) (9) of the Companies Act, 1956.
6. In Our opinion, and to the best our information and according to the explanations given to us, the said accounts read with and subject to note no. 16 regarding non -provision of doubtful interest and note no. 17 regarding change in method of gratuity provision and other notes there on gives, the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted In India :
 - (i) In the case of the Balance Sheet of the State of affairs of the Company as at **31st March 2002** and
 - (ii) In the case of the Profit & Loss Account of the **Loss** for the year ended on that date.

As required by the manuffacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and the information and explanation given to us in the normal course of the audit we further report that :

- i. The Comapny has maintained a fixed assets register showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasobale intervals. No Material discrepancies were noticed on such verification.
- ii. None of the fixed assets have been re-valued during the year.
- iii. The stock of finished goods, semi finished goods, raw materials, stores spare partshave been physically verified at the end of the year by the management. No discrepancy was noticed on such verification. In our poinion the valuation of the above mentioned stock is fair and proper in accordance with the normally accepted accounting principles and same as earlier year.