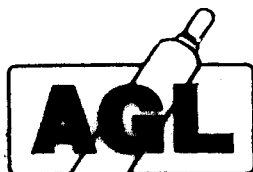


AHMEDABAD GASES LIMITED

ELEVENTH ANNUAL REPORT

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2002-2003



AHMEDABAD GASES LIMITED

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

SHRI TARACHAND MALVIYA	-	CHAIRMAN OF COMMITTEE
SHRI SHARVAN D. SETHI	-	MEMBER
SMT. YOGITA S. SETHI	-	MEMBER

AUDITORS

M/s.M.R.PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD-380009

REGISTERED OFFICE

PLOT NO.2021, VATVA GIDC,
INDUSTRIAL ESTATE, PHASE-III,
AHMEDABAD-382445

Ahmedabad Gases Limited

Eleventh Annual Report

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT ELEVENTH ANNUAL GENERAL MEETING of the members of AHMEDABAD GASES LIMITED will be held at the Registered Office of the Company on September 26, 2003 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 2003 the Balance Sheet as at that date and the Reports of the Directors & Auditors thereon.
2. To elect Director.
3. To appoint Auditors M/s. M. R. Pandhi & Associates, Chartered Accountants, Ahmedabad and to fix their remuneration for the year ending 31ST MARCH 2003.

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 24, 2003 to SEPTEMBER 26, 2003 (both days inclusive) in connection with ensuing Annual General Meeting.
3. Members are requested to inform the company of any change in their addresses 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.

BY ORDER OF THE BOARD

Ahmedabad, June 30, 2003

(S.D.SETHI)
CHAIRMAN

REPORT OF THE DIRECTORS

Your Board of Directors take pleasure in presenting 11th Annual Report for the financial year ended 31ST MARCH 2003.

1. PERFORMANCE OF THE COMPANY

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

	(Rupees in Lakhs)	
	2002-2003	2001-2002
Sales/Other Income	135.57	158.13
Profit(Loss) before depreciation & Tax	(11.06)	(0.86)
Less : Depreciation	22.23	35.94
	-----	-----
	(33.29)	(36.80)
Less : Provision for Taxation	NIL	NIL
	-----	-----
Profit/(Loss) before Appropriations	(33.29)	(36.80)
Add : Balance of last year	(83.63)	(46.84)
	-----	-----
Balance of Loss Carried to Balance Sheet	(116.92)	(83.63)
	=====	=====

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. The turnover reduced by about 14.27% as compared to previous year. Your directors 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

Mr. SHARVAN D. SETHI retires by rotation at ensuing Annual General Meeting and being eligible offers himself for re-appointment.

5. AUDITORS

The Auditors, M/s. M.R. 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;

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Ahmedabad Gases Limited

Eleventh Annual Report

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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, 2003 and of the loss 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. DEPOSITS

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

9. 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.

10. 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

(S.D.SETHI)
CHAIRMAN

Ahmedabad, June 30, 2003

Ahmedabad Gases Limited

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AUDITORS' REPORT

We have audited the attached Balance Sheet of AHMEDABAD GASES LIMITED, AHMEDABAD, as at 31ST MARCH 2003 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 statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant 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 report 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 opinion proper books of account as required by law have been kept by the company so far as it appears from 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 of 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 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 2003,
 - (ii) In the case of the Profit & Loss Account of the LOSS for the year ended on that date and
 - (iii) In the case of cash flow statements, of the cash flows for the year ended on that date.

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is required by the manufacturing 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 :

The Company 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 reasonable intervals. No Material discrepancies were noticed on such verification.

- i. None of the fixed assets have been re-valued during the year.
- ii. The stock of finished goods, semi finished goods, raw materials, stores spare parts have been physically verified at the end of the year by the management. No discrepancy was noticed on such verification. In our opinion the valuation of the above mentioned stock is fair and proper in accordance with the normally accepted accounting principles and same as earlier year.
- iv. The Company has taken deposits from Dealers, and other Companies. The terms and conditions and the rate of interest are not prima facie prejudicial to the interest of the Company.
- v. As explained to us, in respect of loans and advances in the nature of loans where stipulations have been laid, the parties are repaying the principal and interest as stipulated.
- vi. In our opinion and according to the explanations given to us, there are adequate Internal Control procedures commensurate with the size of the Company and the nature of the business for the purchase of stores, raw material, including components, Plant & Machinery, equipment and other assets and for the sale of goods.
- vii. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the current accounting year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable, having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
- viii. As explained to us by the management, there is a regular procedure for determining unserviceable or damaged stores, raw materials and finished goods and the necessary provision is made in the accounts.
- ix. The company has not accepted deposit from public.
- x. We have been informed by the company that there is no by-product. Scrap is not generated by the manufacturing process of the Company.

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