

AHMEDABAD GASES LIMITED

TWELFTH ANNUAL REPORT

2003-2004

Report Junction.com

REGISTERED OFFICE

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

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

Twelfth Annual Report

NOTICE TO THE MEMBERS

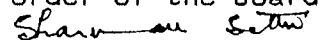
NOTICE IS HEREBY GIVEN THAT TWELFTH ANNUAL GENERAL MEETING of the members of AHMEDABAD GASES LIMITED will be held at the Registered Office of the Company on September 27, 2004 at 4.00 P.M. to transact the following business.

1. To receive & adopt the Profit & Loss Account for the financial year ended 31ST MARCH 2004 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 2004.

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, 2004 to SEPTEMBER 27, 2004 (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



(S.D.Sethi)
Chairman

Ahmedabad, June 30, 2004

Ahmedabad Gases Limited

Twelfth Annual Report

REPORT OF THE DIRECTORS

Your Board of Directors take pleasure in presenting 12th Annual Report for the financial year ended 31ST MARCH 2004.

1. PERFORMANCE OF THE COMPANY

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

	(Rupees in Lakhs)	
	2003-2004	2002-2003
Sales/Other Income	112.69	135.57
Profit(Loss) before depreciation & Tax	(24.41)	(11.06)
Less : Depreciation	14.12	22.23
	(38.53)	(33.29)
Less : Provision for Taxation	NIL	NIL
Profit/(Loss) before Appropriations	(38.53)	(33.29)
Add : Balance of last year	(116.92)	(83.63)
Balance of Loss Carried to Balance Sheet	(155.45)	(116.92)
	=====	=====

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 16.94% 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

Smt.Yogita S.Sethi retires by rotation at ensuing Annual General Meeting and being eligible offers herself 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.

Notes on accounts are self explanatory and do not require further explanation on auditors' qualification.

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;

Continued..2...

Ahmedabad Gases Limited

Twelfth Annual Report

// 2 //

- ii) that the elected 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, 2004 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
Sham S. Sethi

(S.D.Sethi)
 Chairman

Ahmedabad, June 30, 2004

REPORT OF THE DIRECTORS

Management Discussions & Analysis

- [A] Industry Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns and Financial and Operational performance.

Company's main products are Oxygen (Industrial & Medical) and Nitrogen gas. Total Turnover for the year ended March 31, 2004 decreased to Rs.112.61 lacs as compared to Rs. 135.08 lacs in the previous year. Net Loss for the year is Rs.38.53 lacs. The main reason for loss is provision for doubtful debts/advances amounting to Rs.13.38 lacs. Due to competition from unorganised sector, the price realisation was poor. However the Company wants to concentrate on medical oxygen which has a higher price realisation and less competition. There are signs of industrial recovery which will benefit the company.

- [B] Internal Control System and their Adequacy :

The Internal Control System comprises of exercising control at various stages and are established in order to provide reasonable assurance for :

- i) Safeguarding Assets and their usage,
- ii) Maintenance of Proper Accounting Records and,
- iii) Adequacy and Reliability of the information used for carrying on Business Operations.

Most of the day to day functions are handled by the Managing Director. The Directors are regularly looking after all the key areas of the Operations. Additionally the Audit Committee is reviewing all Audit Plans with significant control issues raised by External Audit.

- [C] Industrial Relations and Human Resources Development :

The Company is maintaining good employee relations and no man-days are lost during the year due to employee's unrest.

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Company is welcoming the concept of introducing governance and committed to achieve highest level of Corporate Governance. The Corporate Governance is nothing but transparency, high level of disclosure and fairness to the members of the company. To achieve the highest level of Corporate Governance, the company has experienced, management team and Board of Directors of the company effectively monitor the Management progress and corporate decisions.

2. BOARD OF DIRECTORS

Name of the Director	Category
Sharvan D. Sethi	Promoter/Non-Executive
Sumeet S. Sethi	Promoter/Executive
Yogita S. Sethi	Promoter/Executive
Tarachand Malviya	Non-promoter/Non-Executive/ Independent

Continued..2...

// 2 //

Brief resume of Director being reappointed at the ensuing Annual General Meeting, nature of their expertise in specific function areas and names of companies in which they hold Directorship are furnished hereunder :

Shri Yogita Sethi, aged 33 yrs. is a commerce graduate. She has experience of general administration with the company for the last six years.

3. BOARD MEETINGS

- a) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter.
- b) The meetings are held at the Company's Registered Office.

4. Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies :

Name of Director	Attendance Particulars		No. of Directorships and Committee Membership/Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
S.D. Sethi	4	P	1	1	0
S.S. Sethi	4	P	0	0	0
Y.S. Sethi	4	P	0	1	0
T. Malviya	4	P	0	1	1

P = Present

A = Absent

5. NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD

Four Board Meetings were held during the year. The dates on which the meeting held were as follows: 22nd June 2003, 15th July 2003, 18th October 2003, and 26th January 2004. The maximum time gap between any two meetings was not more than 4 calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director.

6. BOARD COMMITTEE

a) AUDIT COMMITTEE

The Board of Directors of the company has constituted an Audit Committee, comprising of three directors viz. Shri Tarachand Malviya, Chairman (having financial and accounting knowledge), Shri Sharvan Sethi and Smt. Yogita Sethi. During the year, the committee has met 3 times. The Statutory Auditor of the company were invited to attend the audit committee meetings.

Continued..3...

// 3 //

Name of member of Audit Committee	Attendance Particulars (Present)
Shri Tarachand Malviya	22nd June, 03, 18th October, 2003 and 26th January 2004
Shri Shravan Sethi	22nd June, 03, 18th October, 2003 and 26th January 2004
Smt. Yogita Sethi	22nd June, 03, 18th October, 2003 and 26th January 2004

b) REMUNERATION COMMITTEE

The Board of Directors of the Company has not constituted Remuneration Committee during the year.

7. ANNUAL GENERAL MEETINGS

Location and time for last 3 Annual General Meetings were as follows :

Year	Location	Date	Time
2000-2001	Registered Office	29.09.2001	4.00 P.M.
2001-2002	Registered Office	27.09.2002	4.00 P.M.
2002-2003	Registered Office	26.09.2003	4.00 P.M.

8. a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large.

Details of such transactions are given in schedule P of Note No.22 to accounts.

- b) There are no non-compliance of any statutes by the company. Neither penalties nor strictures were imposed by any stock exchange or SEBI, or any statutory authority on any matter related to capital markets during the last three years.

9. MEANS OF COMMUNICATION

Quarterly Results are published in Newspapers i.e. Western Times. Not Displayed in any website. No presentation made to institutional investors or to the analysts.

10. SHAREHOLDERS' INFORMATIONS

- a) Date of Book Closure : 24TH SEPTEMBER 04 to 27TH SEPTEMBER 04
(both days inclusive)

- b) Date & venue of Annual General Meeting : 27TH SEPTEMBER 2004 at 4.00 P.M. at Registered Office

- c) Financial Calender : April 2004 to March 2005
 # Financial Reporting for the First Quater : July 2004
 # Financial Reporting for the Second Quater : October 2004
 # Financial Reporting for the Third Quater : January 2005
 # Financial Reporting for the Last Quater : April 2005
 # Annual General Meeting for the year 2004-05 : September 2005

Continued..4...

Ahmedabad Gases Limited

Twelfth Annual Report

// 4 //

- d) Listing on Stock Exchanges at : Ahmedabad and Mumbai Stock Exchanges.
- e) Registered Office : Plot No. 2021, Vatva G.I.D.C. Industrial Estate, Phase-III, Ahmedabad-382445
- f) Share transfer & other Communication regarding share certificates, and change of address etc. may be addressed to : Plot No. 2021, Vatva G.I.D.C. Industrial Estate, Phase-III, Ahmedabad-382445
- g) Stock Code : The Company has not yet dematerialised its shares.
The company has paid listing fees for the year 2003-2004 to Mumbai Stock Exch. The listing fees of Ahmedabad Stock Exchange Rs.15,000/- is yet to be paid.
- h) **SHARE TRANSFER SYSTEM**

Share transfer would be registered and returned within a period of 30 days from the date of receipt, if the documents are valid in all respects. The share transfer committee generally meets every fortnight.

i) Distribution of Shareholding as on 31ST MARCH 2004

NO.OF EQUITY SHARESHELD	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	SHARE AMOUNT IN RUPEES	% TO TOTAL
UPTO 5000	7218	91.62	9928000	30.89
5001 to 10000	355	4.51	3042000	9.47
10001 to 20000	180	2.28	2823000	8.78
20001 to 30000	42	0.53	1057000	3.29
30001 to 40000	11	0.14	407000	1.27
40001 to 50000	15	0.19	722000	2.25
50001 to 100000	25	0.32	1875000	5.83
100001 & Above	32	0.41	12281000	38.22
	7878	100.00	32135000	100.00
	=====	=====	=====	=====

j) Categories of Shareholders as on 31ST MARCH 2004

SR. NO.	CATAGORIES	NO. OF SHAREHOLDERS	VOTING STRENGTH	NO. OF SHARES
1.	Individuals	7483	48.86	1569000
2.	Companies	29	18.17	584000
3.	Promoters/Directors	3	9.79	314700
4.	Directors' Relatives	35	10.39	333800
5.	Employees	NIL	NIL	NIL
6.	Non Resident Indians	328	12.79	410900
7.	Others	NIL	NIL	NIL
		7878	100.00	3213500
		=====	=====	=====

[D] STOCK MARKET DATA

Company's shares have not been traded during last year.

Continued..5...