

# **AHMEDABAD GASES LTD.**

## **18TH ANNUAL REPORT**

**2009 - 10**

**: BOARD OF DIRECTORS :**

SHRI SUMEET S. SETHI - MANAGING DIRECTOR  
SMT. YOGITA S. SETHI - DIRECTOR  
SHRI SHARVAN D. SETHI - DIRECTOR (Resigned w. e. f. 10/05/2010)  
SHRI JAGDISH AKHANI - DIRECTOR (Appointed w. e. f. 22/04/2010)

**: AUDIT COMMITTEE :**

SHRI SUMEET S. SETHI - CHAIRMAN OF THE COMMITTEE  
SMT. YOGITA S. SETHI - MEMBER  
SHRI SHARVAN D. SETHI - DIRECTOR (Resigned w. e. f. 10/05/2010)  
SHRI JAGDISH AKHANI - DIRECTOR (Appointed w. e. f. 22/04/2010)

**: AUDITORS :**

SAMIR M. SHAH & ASSOCIATES  
Chartered Accountants  
Ahmedabad - 380 015.

**: REGISTERED OFFICE:**

111 / 952, NIRMAL APPARTMENT,  
SOLA ROAD, NARANPURA,  
AHMEDABAD - 380013  
PH.NO. 079 - 2692 9554, 2692 2358.



# AHMEDABAD GASES LIMITED

**Mfg. Of : Industrial Gases & Medical Oxygen**

**Regd. Off. : 111/952, Nirmal Appartment, Sola Road, Naranpura, Ahmedabad - 380064.**

**Ph.: (O) 079 - 2692 1047, 2692 2358, 2692 3043**

Ref. No. :

Date :

## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of **AHMEDABAD GASES LTD.** will be held on 30th September, 2010 at 4:00 p.m. at the Registered Office of the Company 111 / 952, Nirmal Appartment, Sola Road, Naranpura, Ahmedabad - 380064 to transact the following business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended as on 31st March, 2010 and Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To Elect Director.
3. To appoint Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be the member of the company. The proxies in order to be effective must be submitted at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members & Share Transfer Books of the company will remain closed from **September 27, 2010 to September 29, 2010 (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 along with them to the Annual General Meeting, as extra copies will not be supplied at the meeting.

Date : 04/09/2010

By Order Of Board of Directors  
FOR AHMEDABAD GASES LTD.

Place : AHMEDABAD

  
DIRECTOR



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**Ref. No. :**

## DIRECTORS' REPORT

**Date :**

The Members,

Your directors have pleasure in presenting their 18<sup>th</sup> Annual Report on the business and operations of the company and the financial accounts for the year ended on 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS :

The company has made a **Loss of Rs. 148,330/-** before provision of Taxation during the year under report.

(Rs. In Lacs)

Particulars	Current Year Rs.	Previous Year Rs.
Sales & Other Income	-	225,815
Profit / (Loss) before Depreciation & Taxation	(40)	201,815
Less/(Add) : Depreciation	148,290	148,289
Profit / (Loss) before Taxation	(148,330)	53,526
Less/(Add) : Prior Period Adjustments	-	-
Less/(Add) : Provision for Taxation	-	5,514
Profit / (Loss) after Appropriation	(148,330)	48,012
Deferred Tax Asset / (Liabilities)	-	-
Add. : Balance Brought forward	(22,860,306)	(22,908,318)
Balance Carried forward to Balance Sheet	(23,008,636)	(23,860,306)

### OPERATIONS :

The slack economic conditions prevailing to the Industries in the Country. Your Company has no Turnover during the year. Net Loss for the year ended on 31<sup>st</sup> March 2010 amounts to Rs. 148,330/-. However, your Directors are trying hard to develop new markets.

The Directors of your Company are hopeful that the coming year will bring cheers to the stumbling economy ant to your Company.

### DIVIDEND :

Your Directors want to conserve the surplus fund for future expansion purpose so no dividend has been declared.

### FIXED DEPOSIT :

The company has not accepted any deposits from the public during the year under review.



**DIRECTORS :**

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

Mr. Sharvan D. Sethi has resigned (w. e. f. 11.05.10) and Mr. Jagdish A. Akhani has been appointed as Director in his Place (w. e. f. 22.04.10).

**AUDITORS :**

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

**DIRECTORS' RESPONSIBILITY STATEMENT :**

The directors declare and confirm:

- (A) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (B) 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 affairs of the Company at the end of the financial year ended on 31<sup>st</sup> March, 2010 and of the profit of the company for the that year.
- (C) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31<sup>st</sup> March, 2010 in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
- (D) that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSOPTION, FOREIGN EXCHANGE EARNINGS AND 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.

**PARTICULARS OF EMPLOYEES:**

The company has no employee for which the particulars as envisaged U/s. 217 (2A) is required to be given.

**APPRECIATION:**

We wish to place on record our deep appreciation of the devoted services of the workers & staff of the Company which have, in no small way, contributed to the Company's progress. We are also grateful to the banks for their continued help and co-operation.

Date : 04/09/2010

By Order Of Board of Directors  
FOR AHMEDABAD GASES LTD.

Place : AHMEDABAD

  
DIRECTOR

**Management Discussions & Analysis**

- (A) Your company is in the field of industrial gases. Due to industrial growth, it is expected that the industrial gas industry will also grow. But the fruits of growth will go to those who adopt latest technology.

**Opportunity**

Opportunities are there but in liberalization and globalization scenario, large companies with multi-locational presence and financial capabilities will benefit. Most of small and medium sized companies have to struggle to remain competitive. Your company being in small-scale sector has decided to adopt a cautious approach. The company has good infrastructure and client base, which can be exploited to its advantage.

**Threats**

- a. Growing competition from units having large capacities.
- b. Availability of required funds to set up a new plant and to fund its working capital requirement may adversely affect its efforts to generate new business.
- c. Establishment of gas manufacturing unit in SEZ may adversely affect working of non-SEZ units due to tax advantages.

**Future Outlook**

The Company has yet to adopt the latest technology plant but due to financial constraint the implementation is delayed. The company has so far achieved control over the cost and other expenses and better realization of the product. The company is looking for some strategic investor to provide resources to fund latest technology plant. There is a no progress so far.

- (B) **Internal Control System and their Adequacy:**

The Internal Control System comprises of exercising control at various stages and is 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.

The Managing Director handles most of the day-to-day functions. 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 over all the matters and issues, internal control etc.

- (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 REPORT**

1. **Company's Philosophy on Code of Governance**

As per the listing agreement clause 49 this report on Corporate Governance is given in order to enable the shareholders to get a true and fair view of the company's policies and procedures. The main aim of the company is to act in the best interest of its shareholders, customers, employees and society.

Your company has been providing a true and fair view of its accounts and policy matters to the shareholders through full transparency and full disclosure. For the company, its' shareholders interests are on the first priority of consideration while taking any decision.



**2. Composition of Board of Directors and Board Meetings**

Name	Acting in Board of Directors	Experience	Attendance Particulars		No. of Director-ships other than this & Member-ships	
			Board Meeting (Total 4 held)	Last AGM	Director-ships	Member-ships
Mr. Sumeet S. Sethi	Managing Director	He is a young, businessman having a sound knowledge of Management & Financial matters.	04	Yes	0	1
Mrs. Yogita S. Sethi	Executive Director	She is having long experience in general administrative.	04	Yes	0	1
Mr. Sharvan D. Sethi	Non Executive Director	He is having a wide experience in the field of Gas and Petroleum products.	04	Yes	0	1

Four Board Meetings were held during the year. The dates on which the meeting held were as follows: 08/05/09, 31/08/09, 30/11/09 and 20/02/10. The maximum time gap between any two meetings was not more than four 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.

**3. Audit Committee**

The Board of Directors of Ahmedabad Gases Limited had constituted an Audit Committee, comprising of the following directors. The terms of reference of the committee are as provided under the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The committee verifies the accounting policies framed by the company and gives suggestions for modification of the same as and when required. The committee also overlooks the internal audit section of the company. The committee met on the following dates to go thru the company's accounting policies and presentations.

**Composition and Attendance of Audit Committee**

Name of Members of Audit Committee	Designation	Attendance Particulars (Date of Meetings Attended)
Mr. Sumeet S. Sethi	Chairman	08/05/09, 31/08/09, 30/11/09 and 20/02/10
Mrs. Yogita S. Sethi	Member	08/05/09, 31/08/09, 30/11/09 and 20/02/10
Mr. Sharvan D. Sethi	Member	08/05/09, 31/08/09, 30/11/09 and 20/02/10

**4. Remuneration of Directors and details of Director's Shareholding**

The company needs to disclose all pecuniary relationship or transactions of the executive & non-executive directors vis-à-vis the company.

Apart from sitting fees that are paid to the Directors for attending Board / Committee meetings, no significant material transactions have been made with the executive & non-executive directors vis-à-vis the company.

The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Director's Shareholding in the Company are as follows:

Sr.	Name of Directors	No. of Shares
1.	Mr. Sumeet S. Sethi	1,34,100
2.	Mrs. Yogita S. Sethi	94,500
3.	Mr. Sharvan D. Sethi	86,100

#### 5. Code of Conduct

The Board of directors of your company have laid down a code of conduct ("the Code") applicable to all Board of members and senior management personnel of your company. A declaration from the Managing Director of your company to the effect that all Board members and senior management personnel of your company have affirmed compliance with the Code forms a part of this Report.

#### 6. Declaration

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

#### 7. Investor Grievance Committee

The Company has a Shareholder's/Investor's Grievance Committee comprising of Mr. Sumeet S. Sethi, Mrs. Yogita S. Sethi and Mr. Sharvan D. Sethi, directors of the company. The Committee inter alia approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of shareholders complaints like transfer/transmission of shares, non- receipt of Annual Report, non receipt of declared dividends, etc. Mr. Sumeet S. Sethi will act as the Chairman of the Committee. The Board has designated Mr. Sumit Sethi as the Compliance Officer.

The company is receiving only a few transfer requests. As the Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd. as its Registrar and Share Transfer Agent w. e. f. 15.09.2009, the company gets the transfer and transmission related works done through Share Transfer Agent. Apart from this, the committee of the Board approves transmission of shares, issuance of duplicates etc. in terms of authority delegated by the Board.

There were no investor's complaints pending with the Company as on 31/03/2010.

#### 8. Details of last three AGM

Year	Date	Time	Venue
2008-09	30/09/09	04.00 p.m.	Registered Office of the Company
2007-08	30/09/08	04.00 p.m.	Registered Office of the Company
2006-07	29/09/07	04.00 p.m.	Registered Office of the Company

During the year ended on 31<sup>st</sup> March, 2010, there have been no resolutions passed by the Company's shareholders through postal ballot.

At the ensuing AGM, the company has no resolutions passed by the way of postal ballot.



**9. Disclosure**

- (i) **Disclosure on materially significant related party transactions**  
There are transactions with related parties, which have been disclosed at relevant place in the notes to the annual accounts. These transactions do not have any potential conflict with the interest of the company at large. The transactions with the related parties have been done at arms length and are done for continuity of business.
- (ii) **Details of non-compliance by the company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.**  
None in last three years.
- (iii) **Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.**  
Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the company has formulated, adopted and implemented the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.
- (iv) **CEO/CFO Certification:** A Certification from the managing Director (CEO/CFO) and Senior Manager Finance in terms of Clause 49(V) of the Listing Agreement was placed before the Board of Directors.

**10. Means of Communication : Half yearly and Quarterly results**

The Company has yet not published its quarterly / half-yearly accounts in any news papers. No presentation made to institutional investors or to the analysts.

**11. General Shareholder Information****□ Annual General Meeting Details**

**Date :** 30/09/2010  
**Time :** 04.00 p.m.  
**Venue :** 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad – 380064.

**□ Financial Calendar (tentative for the year 2009-2010):**

1. **Date of Book Closure** : 27/09/2010 TO 29/09/2010.
2. **Date & Venue of AGM** : 30/09/2010 at 111/952, NIRMAL APPARTMENT,  
SOLA ROAD, NARANPURA, AHMEDABD - 380064
3. **Financial Calendar** : April, 2009 to March, 2010
  - Results for the quarter ending on June 30, 2009 : Last week of July, 2009
  - Results for the quarter ending on September 30, 2009 : Last week of October, 2009
  - Results for the quarter ending on December 31, 2009 : Last week of January, 2010
  - Results for the quarter ending on March 31, 2010 : Last week of April, 2010
  - Annual General Meeting for the Year 2009-10 : 29<sup>th</sup> November 2010

**□ Listing on Stock Exchanges**

: The Stock Exchange, Ahmedabad  
 : The Stock Exchange, Mumbai

**Registered Office**

: 111/952, Nirmal Apartment,  
 Sola Road,  
 Naranpura,  
 Ahmedabad – 380064



❑ **Stock / Company Code and Market Data**

The Company has not yet dematerialized its shares. The company has paid listing fees for the year 2009-10 to the stock exchanges except to Ahmedabad Stock Exchanges. Company's shares have not been traded during the last year.

❑ **Share Transfer System & Dematerialisation of Shares**

Shares 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. Total 32,13,500 shares are in physical form. Because of net worth requirement the company is not able to dematerialize its shares.

❑ **Transfer of unclaimed dividends to Investor Education and Protection Fund (IEPF)**

Pursuant to the provision of Section 205A(5) of the Companies Act, 1956 no dividend is lying unpaid with the company as on to date.

❑ **Pecuniary Transactions with the non executive Directors**

The Company has not entered into any pecuniary transactions with non-executive Directors during the year.

❑ **Share Holding Pattern**

The Shareholding pattern as on 31.03.2010 are as follows :

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	Share Amount in Rupees	Share Amount % to Total
Less than 5000	7206	91.60	9920000	30.87
5001 to 10000	356	4.53	3050000	9.49
10001 to 20000	180	2.29	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 to above	32	0.40	12281000	38.22
<b>TOTAL</b>	<b>7867</b>	<b>100.00</b>	<b>32135000</b>	<b>100.00</b>

Categories of Shareholders as on 31<sup>st</sup> March, 2010 are as follows :

Sr. No.	Categories	No. of Shareholders	Voting Strength	No. of Shares
01	Individuals	7493	55.69	1789400
02	Companies	29	18.17	584000
03	Promoters/Directors	23	13.53	434800
04	Director's Relatives	NIL	NIL	NIL
05	Employees	NIL	NIL	NIL
06	Non Resident Indians	322	12.61	405300
07	Others	NIL	NIL	NIL
<b>TOTAL</b>		<b>7867</b>	<b>100.00</b>	<b>3213500</b>

### ❑ Registrar & Transfer Agents

The Company has appointed Registrar & Transfer Agent w. e. f. 15.09.2009. The details of which are as under:

**Purva Sharegistry (India) Pvt. Ltd.**  
 No-9, Shiv Shakti Estate, Ground Floor,  
 J. R. Boricha Marg,  
 Opp. Kasturba Hospital,  
 Lower Parel, Mumbai – 400011  
 Contact Details: 022 – 2301 6761 / 2301 8261

### ❑ Non-Mandatory Requirement

1. Remuneration Committee : The Company has not yet set up the remuneration committee.

2. Share Holder Rights :

The half yearly declaration of Financial Performance including summary of the significant events in last six months should be sent to each household of share holders.

3. Postal Ballot : No item to be passed through postal ballot this year.

## ANNEXURE - A

### (A) CONSERVATION OF ENERGY

1. Energy conservation measures taken : NIL. However Directors personally pay attention so as to minimize consumption of agency.
2. Additional Investments & Proposal, if any, being implemented for reduction of consumption of energy: NIL
3. Impact of measures (1) and (2) of above. Due to personal attention of Directors the Company has achieved consistent result.
4. Total energy consumption and energy consumption per unit of production as per Form – A : NOT APPLICABLE.

### (B) TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPMENT  
 The Company has not so far formally established Research & Development wing.
2. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION:  
 The company always keeps itself up dated with the all latest technological innovation by way of constant communications with consulting experts. Efforts are made to reduce cost, improve performance etc.

### (C) FOREIGN EXCHANGE EARNING / OUTGO

1. Total foreign exchange used Rs. NIL
2. Total foreign exchange earned Rs. NIL