

AHMEDABAD GASES LIMITED

19TH ANNUAL REPORT

2010-11

:REGISTERED OFFICE:

111 / 952, NIRMAL APPARTMENT,
SOLA ROAD, NARANPURA,
AHMEDABAD – 380013

:CORPORATE OFFICE:

306, SARTHIK COMPLEX, NR. FUN REPUBLIC, SATELLITE, AHMEDABAD – 380015

Website: www.ahmedabadgases.com

email id: ahmedabadgases@gmail.com

BOARD OF DIRECTORS:

SHRI SUMEET S. SETHI	-	MANAGING DIRECTOR	
SMT. YOGITA S. SETHI	-	DIRECTOR	
SHRI ROHITKUMAR THAKKAR	-	IND. DIRECTOR	(w. e. f. 07.05.2011)
SHRI RAJNIKANT R. JADAV	-	IND. DIRECTOR	(w. e. f. 22.06.2011)
SHRI JAGDISH AKHANI	-	DIRECTOR	(Resigned w. e. f. 11.06.11)
SHRI SHARVAN SETHI	-	DIRECTOR	(Resigned w. e. f. 11.05.10)

AUDIT COMMITTEE:

SHRI ROHITKUMAR THAKKAR	-	CHAIRMAN
SHRI RAJNIKANT JADAV	-	MEMBER
SMT. YOGITA S. SETHI	-	MEMBER

AUDITORS :

SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD – 380 015.

BANKERS:

KOTAK MAHINDRA BANK, AHMEDABAD

**REGISTRAR AND
TRANSFER AGENT:**

PURVA SHAREGISTRY (INDIA) PVT. LTD.
9 - SHIV SHAKTI INDL. ESTATE,
J. R. BORICHA MARG,
OPP. KASTURBA HOSPITAL,
LOWER PAREL (E),
MUMBAI – 400 011

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of **AHMEDABAD GASES LTD.** will be held on 30th September, 2011 at 4:00 p.m. at the Registered Office of the Company 111 / 952, Nirmal Appartment, Sola Road, Naranpura, Ahmedabad – 380013 to transact the following ordinary businesses:

01. To receive, consider and adopt the Audited Accounts of the Company for the year ended as on 31st March, 2011 and Balance Sheet as at that date, together with the reports of the Board of Directors and Auditors thereon.
02. To consider appointment of Director in place of Director retiring by rotation. Ms. Yogita Sethi, Director of the company liable to retire by rotation at this Annual General Meeting and being eligible for reappointment, offers herself for reappointment.
03. 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.

SPECIAL BUSINESSES:

04. Regularizing the Additional Director – Shri Rohitkumar Rasiklal Thakkar:

To Consider and if though fit, to pass the following resolution with or without modification(s), as an ordinary resolution.

“RESOLVED THAT Shri Rohitkumar Rasiklal Thakkar, who was appointed as the Additional Director on the board of the Company w. e. f. 07/05/2011 pursuant to provisions of section 260 of the Companies Act 1956 and who shall hold such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from such Director under section 257 of the Companies Act 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

05. Regularizing the Additional Director – Shri Rajnikant Ramanbhai Jadav:

To Consider and if though fit, to pass the following resolution with or without modification(s), as an ordinary resolution.

“RESOLVED THAT Shri Rajnikant Ramanbhai Jadav, who was appointed as the Additional Director on the board of the Company w. e. f. 22/06/2011 pursuant to provisions of section 260 of the Companies Act 1956 and who shall hold such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from such Director under section 257 of the Companies Act 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

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 close from **September 27, 2011 to September 29, 2011 (both days inclusive)** in connection with ensuing Annual General Meeting for Financial Year 2010 - 11.
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.

Explanatory Statement under section 173 (2) of the Companies Act 1956:

In conformity with the provisions of Section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out all material facts relating to Special Businesses mentioned in the accompanying Notice and should be taken as forming part of the Notice:

Item No. 04:

Shri Rohitkumar Thakkar was appointed by the Board of Directors of the Company as an Additional Director w. e. f. 07/05/2011 pursuant to the relevant provisions of the Companies Act 1956 and under the Articles of Association of the Company and he holds such office only up to the date of ensuing Annual General Meeting. Particulars about him are given in Para 2 of the Corporate Governance report. A notice in writing has been received under section 257 of the Companies Act 1956 along with a deposit of Rs. 500 from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with his appointment, a Company will be benefited a lot and so commends resolution for approval.

None of the Directors of the Company are concerned / interested in the proposed resolution, except Shri Rohitkumar Thakkar, himself.

Item No. 05:

Shri Rajnikant Jadav, was appointed by the Board of Directors of the Company as an Additional Director w. e. f. 22/06/2011 pursuant to the relevant provisions of the Companies Act 1956 and under the Articles of Association of the Company and he holds such office only up to the date of ensuing Annual General Meeting. Particulars about him are given in

Para 2 of the Corporate Governance report. A notice in writing has been received under section 257 of the Companies Act 1956 along with a deposit of Rs. 500 from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with his appointment, a Company will be benefited a lot and so commends resolution for approval.

None of the Directors of the Company are concerned / interested in the proposed resolution, except Shri Rajnikant Jadav, himself.

Date : 01/09/2011

Place : Ahmedabad

**By Order Of Board of Directors
FOR AHMEDABAD GASES LTD.**

DIRECTOR

DIRECTORS' REPORT

The Members,

Your directors feel pleasure in presenting their 19th Annual Report on the business and operations of the company and the financial accounts for the year ended on 31st March, 2011.

FINANCIAL RESULTS :

The company has made a **Profit of Rs. 6.11 lacs** before provision of Taxation during the year under report.

Particulars	(Rs. In Lacs)	
	Current Year 2010 - 11 Rs.	Previous Year 2009 - 10 Rs.
Sales & Other Income	8.48	0.00
Profit / (Loss) before Depreciation & Taxation	7.59	0.00
Less/(Add) : Depreciation	1.48	1.48
Profit / (Loss) before Taxation	6.11	(1.48)
Less/(Add) : Prior Period Adjustments	0.00	0.00
Less/(Add) : Provision for Taxation		0.00
Profit / (Loss) after Appropriation	6.11	(1.48)
Deferred Tax Asset / (Liabilities)	0.00	0.00
Add. : Balance Brought forward	(225.08)	(228.60)
Balance Carried forward to Balance Sheet	(218.97)	(230.08)

OPERATIONS :

The slack economic conditions prevailing to the Industries in the Country. Your Company has no Turnover during the year. However during the year, the Company has indirect incomes due to which the net profit for the year ended on 31st March 2011 amounts to **Rs. 6.11 Lacs**.

DIVIDEND :

Your Directors want to conserve the available fund for future expansion purpose. So no dividend has been recommended.

FIXED DEPOSIT: The Company has not accepted any deposits from the public during the year under review.

DIRECTORS:

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

Shri Sharvan D. Sethi has resigned. (w. e. f. 11.05.10)

Shri Jagdish Akhani has been appointed as Director (w. e. f. 22.04.10) and resigned due to his preoccupation on w. e. f. 11.06.2011.

Shri Rohitkumar Thakkar has been appointed as an Additional Director w. e. f. 07.05.2011 on the Board of Company and the Ordinary resolution is proposed in the ensuing Annual General Meeting to regularize him as Director.

Shri Rajnikant Jadav has been appointed as an Additional Director w. e. f. 22.06.2011 on the Board of Company and the Ordinary resolution is proposed in the ensuing Annual General Meeting to regularize him as Director.

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.

COMPLIANCE CERTIFICATE:

The Practicing Company Secretary, Mr. Jagdish Akhani, has been appointed to issue the Compliance Certificate to the Company for the financial year 2010-11.

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 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 ended on 31st March, 2011 and of the profit of the company for the that year.
- (C) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March 2011 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
- (D) that the Directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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 : 01/09/2011

By Order Of Board of Directors
FOR AHMEDABAD GASES LTD.

Place : AHMEDABAD

DIRECTOR

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 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 8 held)	Last AGM	Director-ships	Member-ships
Shri Sumeet S. Sethi	Managing Director	He is a young, businessman having a sound knowledge of Management & Financial matters.	08	Yes	2	1
Smt. Yogita S. Sethi	Executive Director	She is having long experience in general administrative.	08	Yes	2	2
Shri Sharvan D. Sethi (resigned on 11.05.2010)	Non Executive Director	He is having a wide experience in the field of Gas and Petroleum products.	01	Yes	2	1
Shri Jagdish Akhani (Appn w. e. f. 22.04.2010)*	Non Executive Director	He is having wide experience in the field of Law and he is a Law Professional.	08	Yes	2	1
Shri Rohit Thakkar (Appt. w. e. f. 07.05.2011)	Non Executive Independent Director	He has a good experience in the Industry and is a good decision maker in Industrial matters	00	N. A.	2	2
Shri Rajnikant Jadav (Appt w. e. f. 22.06.2011)	Non Executive Independent Director	He has a good experience in the knowledge and exposure in the Gas Market.	00	N. A.	2	1

* Resigned w. e. f. 11.06.2011

Eight Board Meetings were held during the year 2010 - 11. The dates on which the meeting held were as follows: **22/04/2010, 13/05/2010, 12/07/2010, 04/09/2010, 18/09/2010, 12/10/2010, 08/11/2010 and 12/01/2011**. 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 through 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)
Shri Rohit Thakkar (Appn w. e. f. 22.06.2011)	Chairman	N. A.
Shri Rajnikant Jadav (Appn w. e. f. 07.05.2011)	Member	N. A.
Smt. Yogita S. Sethi	Member	08/05/10, 11/07/10, 30/08/10, 11/10/10 and 11/01/11
Shri Sharvan D. Sethi (resigned w. e. f. 10.05.2011)	Member	08/05/10, 11/07/10, 30/08/10, 11/10/10 and 11/01/11
Shri Jagdish Akhani (resigned w. e. f. 11.06.2011)	Chairman	08/05/10, 11/07/10, 30/08/10, 11/10/10 and 11/01/11

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 generally 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.	Shri Sumeet S. Sethi	1,34,100
2.	Smt. Yogita S. Sethi	94,500
3.	Shri 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 31st March, 2011.