

RAJASTHAN GASES LIMITED

**ANNUAL REPORT
2011-12**

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RAJASTHAN GASES LIMITED

Regd. Office: 40 & 41, Trinita Tower, 6th Floor, 5, Swage Farm, New Sanganer Road, Jaipur-302018

NOTICE

Notice is hereby given that the ANNUAL GENERAL MEETING of the members of RAJASTHAN GASES LIMITED will be held on Friday, 28th September, 2012 at 11.30 AM at 40 & 41 Trinita Tower, 6th Floor, 5, Swage Farm, New Sanganer Road, Jaipur-302018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Baboo Lal Swarnkar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint an Auditor to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors
For RAJASTHAN GASES LIMITED


(BABOOLAL SWARNKAR)
Chairman


(MANOJ DANWAR)
MD & CEO

PLACE: JAIPUR
DATED: 01/09/2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY, DULY EXECUTED, IN ORDER TO BE VALID, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 26.09.2012 TO 28.09.2012 (BOTH DAYS INCLUSIVE).



RAJASTHAN GASES LIMITED

Regd. Office: 40 & 41, Trinita Tower, 6th Floor, 5, Swage Farm, New Sanganer Road, Jaipur-302018

To
The Members,
RAJASTHAN GASES LIMITED
40 & 41, Trinita Tower,
6th Floor, 5, Swage Farm,
New Sanganer Road,
Jaipur-302018
Rajasthan

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the NINETEENTH Annual Report together with the audited statement of Accounts for the year ended 31st March, 2012.

1. OPERATIONS

The Summarised financial highlights are as under

	For the year ended 31.03.12	For the year ended 31.03.11
Income from operation	Nil	Nil
Other Income	2202476.54	2651625.60
	-----	-----
	2202476.54	2651625.60
	-----	-----
Total Expenditure	2197598.88	319699.88
Operating Profit / (Loss)	4877.66	2331925.72
Depreciation	Nil	Nil
Provision for taxation	Nil	Nil
Profit / (Loss) after tax	4877.66	2331925.72
Balance Carrier Forward from		
Last year	(28204896.46)	(30536822.18)
Balance Carried to Balance Sheet	(28200018.80)	(28204896.46)

2. DEPOSITS

The Company has not accepted any deposits from Public within the meaning of section 58-A of the Companies Act, 1956 and rules made there under.

3. CAPITAL

During the year the Authorised, Issued, Subscribed and paid-up Capital remained unchanged at Rs. 6,00,00,000/- and Rs. 5,37,38,000/- respectively.



4. STATUTORY INFORMATION

I The Companies (Directors particulars in the report of Board of Directors) Rules, 1988 require disclosure of particulars regarding conservation of energy in Form A and Technology absorption in Form B prescribed by the rules. The company not being an industry under the Schedule, Form A & B disclosures are not applicable.

II The Company had no foreign exchange earnings & no outgoing

III. The Company does not have any subsidiary within the meaning of section 4 of the Companies Act, 1956

5. AUDITORS

Statutory auditors M/s. R. K. Malpani & Associates, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. R. K. Malpani & Associates, to the effect that their appointment, if made would be within the limits under Section 224(1-B) of the Companies Act, 1956. Accordingly, M/s R. K. Malpani & Associates, Chartered Accountants will be appointed as auditors of the Company.

6. AUDIT COMMITTEE

Pursuant to Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000, an audit committee was constituted by the Board of Directors consisting of 3 directors i.e. Shri Baboolal Swarnkar, Shri Manoj Danwar, Shri Sunil Verma.

7. AUDITOR'S REPORT

The notes to the Accounts referred to in the Auditors report are self – explanatory and, therefore, do not call for any further explanation under section 217(3) of the Companies Act, 1956

8. DIRECTORS

Shri Baboo Lal Swarnkar, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Directors commend his re-appointment.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

In term of section 217 (2AA) of the Companies Act, 1956 the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and

prudent so as to give a true and fair view of the state of affair of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- iii) The director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.

10. PERSONNEL

There were no employees whose remuneration were in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 as per the latest amendment.

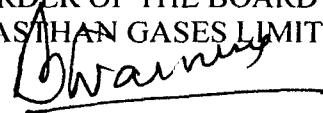
11. FIXED DEPOSIT

The company has neither invited nor accepted nor renewed any fixed deposit during the year under review.

12. ACKNOWLEDGMENT

The Board takes this opportunity to express its sense of gratitude to all the Customers, Shareholders, Government Departments, Bankers and Suppliers of the Company. The Board also wishes to pay tribute to all the employees of the Company for their splendid commitment and dedication.

BY ORDER OF THE BOARD
For RAJASTHAN GASES LIMITED



(BABOOLAL SWARNKAR)
Chairman

Place : JAIPUR
DATED: 01/09/2012



RAJASTHAN GASES LIMITED

Regd. Office: 40 & 41, Trinita Tower, 6th Floor, 5, Swage Farm, New Sanganer Road, Jaipur-302018

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhancing the Stock Holders' Value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all Important Policy matters.

2. BOARD OF DIRECTORS

COMPOSITION

The company has a combination of executive and non-executive Directors. The company has a non-executive Chairman, one executive Director and Three Independent Director.

None of the Directors on the Board is a Director on more than 15 Companies and is a member of more than 10 committees and Chairman of more than 5 committees (as per clause 49 of the listing agreement) across all the companies in which he is a Director. All of the Directors have made requisite disclosures regarding committee positions occupied by them in other companies. The company's Board at present has five Directors comprising of one Executive Director and four Non-Executive Directors.

The Board met eight times on the following dates during the financial year 2011-2012. The maximum time gap between any two meetings was not more than 4 calendar month.

29/04/2011	01/07/2011	30/09/2011	01/10/2011	04/11/2011	02/01/2012	20/02/2012	22/02/2012
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The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorships and committee positions held by them in other Public Limited Companies as on 31.03.2012 are given below :

Name	Category	No. of Meetings held during the Financial Year	No. of Board Meetings attended during 2011-2012	Whether attended AGM held on 30.09.11	No. of Directorship in other Public Ltd Companies	No. of Committee Positions held in other Public Limited Companies	
						Chairman	Member
Mr. Baboolal Swarnkar	Non-Executive Chairman	8	8	Yes	4	4	None
Mr. Manoj Danwar	Executive Director	8	8	Yes	Nil	None	None
Mr. Matadin Sonthalia	Independent Director	8	5	Yes	2	1	None
Mr. Sunil Verma	Independent Director	8	7	Yes	Nil	0	None
Mrs. Nirjala Sharma	Independent Director	8	6	Yes	Nil	0	None



PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Name of the Director	:	Baboo Lal Swarnkar
Date of Birth	:	02/09/1943
Date of Appointment	:	10/04/1998
Expertise in Specific Functional Area	:	Finance, Income Tax, Admin
Qualification	:	B.Sc, LLB, Advocate.
Other Public Companies in which Directorship held	:	HMS Limited, Jayanti Commercial Ltd. Manish Development Ltd. Wideangle Financial Service Ltd.
Other Public Companies in which membership of committees of Directors held	:	HMS Limited Jayanti Commercial Ltd. Manish Development Ltd Wideangle Financial Service Ltd.

3. AUDIT COMMITTEE

An Audit Committee of the Company in terms of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 and as per requirement of clause 49 of the Listing Agreement, was duly constituted and comprises of three Directors viz. Shri Manoj Danwar, Shri Sunil Verma and Shri Baboo Lal Swarnkar who is the chairman of the Committee. The terms of reference of the Audit Committee are contained in Section 292A of the Companies Act, 1956 and also as contained in the Corporate Governance Clause of the listing Agreement.

The Audit Committee met on the following eight times during the financial Year 2011-2012:

29/04/2011	16/08/2011	01/09/2011	30/09/2011	19/10/2011	02/01/2012	13/02/2012	20/02/2012
------------	------------	------------	------------	------------	------------	------------	------------

ATTENDANCE OF THE AUDIT COMMITTEE MEETING:

Name of the Chairman & Director	Number of Meeting Held	Number of Meeting Attended
Mr. Baboo Lal Swarnkar	8	8
Mr. Manoj Danwar	8	8
Mr. Sunil Verma	8	7

Necessary quorum was present at the meeting. Representative of Statutory Auditors were invited to the Meeting, as and when required.

4. SHARE HOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has an independent Shareholders' Grievance Committee to look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet etc., besides complaints from SEBI, Stock Exchange etc.

The committee comprises of:

Mr. Manoj Danwar	Chairman	Executive Director
Mr. Matadin Sonthalia	Member	Non Executive Director

Mr. Manoj Danwar acts as the compliance officer.

The committee met 8 times on the following dates during the financial year 2011-2012:

29/04/2011	16/08/2011	01/09/2011	30/09/2011	19/10/2011	02/01/2012	13/02/2012	22/02/2012
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The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. The number of complaints received was very few and the same were dealt with suitably.

5. REMUNERATION COMMITTEE

Up to financial year 2000-2001, the Company paid remuneration to its Whole Time Director by way of Salary, but since last Ten years no remuneration was paid to Mr. Manoj Danwar, due to insufficiency of profit. Thus the Company has not constituted such Remuneration Committee as no remuneration was paid to any of the Directors during the financial year 2011-12.

6. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings are as under:

Year	Day, Date & Time	Location	Whether any Special Resolution Passed
2008-2009	Tuesday, 29 th September, 2009 11:30 A.M.	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No
2009-2010	Wednesday, 29 th September, 2010 11:30 A.M.	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No
2010-2011	Friday, 30 th September, 2011 11:30 A.M.	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No

One resolution was passed by Postal Ballot during the financial year 2011-12.

7. DISCLOSURES

RELATED PARTY TRANSACTION

Related party transactions are defined as transactions of the Company of a material nature with its Promoters, Directors or the Management, their subsidiary



or relatives, etc. that many have potential conflict with the interest of the Company at large.

Among the related party transactions are, contracts or arrangement made by the Company from time to time with the Companies in which Directors are interested. All those contracts or arrangements are entered in Register of Contracts under section 301 of the Companies Act, 1956 and the Register is placed before every Board Meeting.

All transaction covered under the Related Party Transactions are regularly ratified and/or approved by the Board.

There has been no transaction of the Company with its promoters, their subsidiary or the management that may have potential conflict with the interest of the Company at large.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authorities related to the conduct of the business of the Company.

8. MEANS OF COMMUNICATION

The quarterly results are published in the leading English & Hindi daily Newspaper and also at our website www.rajasthangasltd.com

9. GENERAL SHAREHOLDER INFORMATION

Compliance Officer	Mr. Manoj Danwar AC-174, Salt Lake City, Kolkata – 700 064.
Annual General Meeting	Nineteenth
Date and Time	28 th September, 2012, Friday, at 11.30 A.M.
Venue	40 & 41 Trinit Towers, 6 th Floor, 5, Swage Farm, New Sanganer Road, Jaipur – 302 018.
Financial Calendar	April, 2011 – March, 2012
Date of Book Closure	26 th September, 2012 to 28 th September, 2012 (both days incl.)
Listing of Stock Exchanges	1. Bombay Stock Exchange Ltd., Mumbai. 2. The Calcutta Stock Exchange Association Ltd., Kolkata 3. Jaipur Stock Exchange Ltd., Jaipur. 4. Madhya Pradesh Stock Exchange Ltd., Indore 5. The Gauhati Stock Exchange Ltd., Gauhati.

The Trading in the Company's equity shares is compulsorily in dematerialized form. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with the NSDL and CDSL. Thus, the investors can exercise dematerialization and transfer action through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. The ISIN no. of the Company's Equity Shares is INE184D01018.

SHARES REGISTRAR AND TRANSFER AGENT

MAHESHWARI DATAMATICS (P) LTD.

6, Mangoe Lane, Kolkata - 700 001.

Telephone No. : (033) 2243-5029/5809

Fax No. : (033) 2248-4787

Website : N.A

Email : mdpl@cal.vsnl.net.in

Business Hours : 10:30 AM to 3:00 PM (Monday - Friday)

10:30 AM to 12:30 PM (Saturday)

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2012.

Category	No. of Shareholder	Percentage	No. of Shares	Percentage
1) 1 to 500	6288	92.7570	842534	15.6786
2) 501 to 1000	205	3.0240	173200	3.2230
3) 1001 to 2000	106	1.5637	161797	3.0108
4) 2001 to 3000	53	0.7818	133600	2.4861
5) 3001 to 4000	15	0.2213	56100	1.0440
6) 4001 to 5000	30	0.4425	142400	2.6499
7) 5001 to 10000	27	0.3983	212670	3.9575
8) 10001 to above	55	0.8113	3651499	67.9500
Total	6779	100.0000	5373800	100.0000

CATEGORY OF SHAREHOLDERS AS ON 31.03.2012.

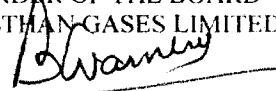
Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S	1529899	28.4696
B. INSTITUTIONAL INVESTORS (FIIs/NRIs/OCBs)	396600	7.3803
C. INDIAN FINANCIAL INSTITUTIONS/BANKS/ MUTUAL FUNDS	--	--
D. PRIVATE BODIES CORPORATE	776796	14.4551
E. INDIVIDUALS	2670405	49.6931
F. TRUSTS	100	.0019
Grand Total	5373800	100.0000



10. CODE OF CONDUCT

All the members of the Board and senior management personnel have affirmed compliance with the Company's Code of Conduct.

BY ORDER OF THE BOARD
For RAJASTHAN GASES LIMITED



(BABOOLAL SWARNKAR)
Chairman

Place : JAIPUR
DATED : 01/09/2012

Auditors' Certificate on Corporate Governance

To the Members of Rajasthan Gases Limited,

We have examined the compliance of conditions of Corporate Governance by Rajasthan Gases Limited ('the Company'), for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

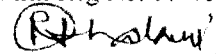
The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. K. MALPANI & ASSOCIATES,
Chartered Accountants,
Firm Reg No. 002759C



(RAKESH JHALANI)
Partner
Membership No. 74142

Place : JAIPUR
Dated : 01/09/2012

Chief Executive Officer (CEO) Certification
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

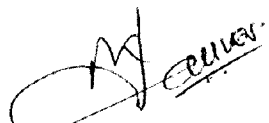
To
The Board of Directors of
Rajasthan Gases Limited

Dear Sir,

I have reviewed the financial statements, read with the cash flow statement of Rajasthan Gases Limited for the year ended March 31, 2012 and that to the best of my knowledge and belief, I state that;

- a.
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. These statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of fraud during the year.

Place: Jaipur
Date: 01.09.2012


Manoj Danwar
MD & CEO



R. K. Malpani & Associates

CHARTERED ACCOUNTANTS

103-A, SHYAM ANUKAMPA, O-11, ASHOK MARG, C-SCHEME,
JAIPUR 302 001, TEL. 2364313, 2364513, FAX. 91-141-2364413
e-mail: rkmalpanica@hotmail.com

AUDITOR'S REPORT TO THE MEMBERS OF RAJASTHAN GASES LIMITED

1. We have audited the attached Balance Sheet of **RAJASTHAN GASES LIMITED** as at **31st March 2012** and also the Statement of Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit:
- (b) 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 those books.
- (c) The Balance Sheet and Statement of Profit & Loss Account dealt with by this report are in agreement with the books of account:
- (d) In our opinion, The Balance Sheet and Statement of Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Section 211 (3c) of the Companies act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors. We report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our Opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principals generally accepted in India:



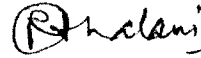
R.K. Malpani & Associates

CHARTERED ACCOUNTANTS

103-A, SHYAM ANUKAMPA, O-11, ASHOK MARG, C-SCHEME,
JAIPUR 302 001, TEL. 2364313, 2364513, FAX. 91-141-2364413
e-mail: rkmalpanica@hotmail.com

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at **31st March 2012**.
- (ii) In the case of the Statement of Profit & Loss Account, of the **Profit** for the period ended on that date.
- (iii) In the case of Cash flow statement, of the cash flows for the year ended on that date.

For R.K. Malpani & Associates
Chartered Accountants
(FRN. 002759C)



(Rakesh Jhalani)
Partner
Membership No. 074142

Place : Jaipur
Dated : 01.09.2012

ANNEXURE TO THE AUDITOR'S REPORT
(This is the Annexure referred to in our Report of even date)

Referred to in paragraph 3 of the Auditors Report of **M/s RAJASTHAN GASES LIMITED**, Jaipur, on the accounts for the year ended **31st March, 2012**.

The nature of the Company's activities during the year have been such that clauses (x) and (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off a substantial part of its fixed assets during the year and the going concern assumption of the Company is not affected.

2. In respect of its inventories:

Not Applicable

3. a. As informed to us, the Company has not granted any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently sub clause (b), (c) and (d) of Clause (iii) are not applicable.
- b. As informed to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion, and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and sale. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.

5. (a) According to the information and explanations given to us and records of the company examined by us, the particulars of contracts/ arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the informations and explanations given to us transactions made in pursuance of contracts and arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

6. The Company has not accepted any deposits from the public. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable to company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal during the year.

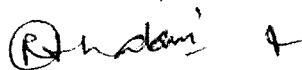
7. In our opinion, and according to the information and explanations given to us, there is an internal audit system commensurate with the size of the Company and nature of its business.

8. Central Government has not prescribed to maintain Cost records under clause (d) of sub-section 209 (1) of the company's act. Therefore; the provisions of clause (viii) of paragraph 4 of the aforesaid order are not applicable to the company.



9. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues, if any, as applicable on the company with the appropriate authorities. As on 31st March, 2012, there were no arrears of undisputed outstanding statutory dues for a period of more than six months from the date they became payable and accordingly the sub-clauses (b) of clause (ix) is not applicable to the Company.
10. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
11. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In relation to dealing in or trading in Shares, Securities, Debentures and other investments, proper records have been maintained of the transactions and contracts and timely entries made therein. All the shares, securities and other investments are held in the name of Company itself or lying with NSE as margin or otherwise.
13. According to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
14. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
15. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
16. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
17. According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company during the year, creating a charge/security on the fixed assets of the Company.
18. The Company has not raised any money by way of public issues during the year.
19. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For R.K. Malpani & Associates
Chartered Accountants
(FRN. 002759C)



Place : Jaipur
Dated : 01.09.2012

(Rakesh Jhalani)
Partner
Membership No. 074142

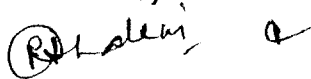
RAJASTHAN GASES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in Rs.)

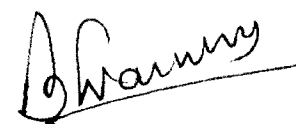
	Note	As at 31 March, 2012	As at 31 March, 2011
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	1	53738000.00	53738000.00
Reserves and Surplus	2	(28200018.80)	(28204896.46)
<u>Non-Current Liabilities</u>			
Other Non Current liabilities	3	11480864.05	11480864.05
<u>Current Liabilities</u>			
Trade Payables	4	8739031.70	8739031.70
Other Current Liabilities	5	8004914.39	7797556.39
TOTAL		53762791.34	53550555.68
ASSETS			
<u>NON CURRENT ASSETS</u>			
Fixed Asset			
- Tangible Assets	6	16229177.00	16229177.00
Non Current Investments	7	2992500.00	0.00
Long-Term Loan and Advances	8	6100000.00	6100000.00
<u>Current Assets</u>			
Trade Receivables	9	17570814.14	17570814.14
Cash and Bank Balances	10	108119.01	204042.35
Short Term Loans & Advances	11	10762181.19	13446522.19
TOTAL		53762791.34	53550555.68
Significant Accounting Policies			
Notes on Financial Statements	1-16		

As per our report of even date
FOR R.K. MALPANI & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 002759C)


(RAKESH JHALANI)
PARTNER
MEMBERSHIP NO. 074142

Jaipur
September 1, 2012

FOR RAJASTHAN GASES LIMITED


(BABOOLAL SWARNKAR)
CHAIRMAN


(MANOJ DANWAR)
MD & CEO



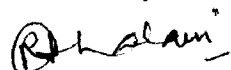
RAJASTHAN GASES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

(Amount in Rs.)

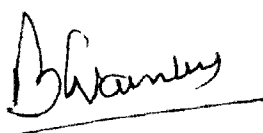
	Note	2011-12	2010-11
INCOME			
Revenue from operations	12	1916317.54	2573290.60
Other Income	13	286159.00	78335.00
Total Revenue		2202476.54	2651625.60
EXPENDITURE			
Employees Benefit Expense	14	107000.00	72000.00
Other Expenses	15	2090598.88	247699.88
Total Expenses		2197598.88	319699.88
Profit/(loss) Before Tax		4877.66	2331925.72
Tax Expenses			
Current tax		0.00	0.00
Deferred Tax		0.00	0.00
Profit/(Loss) for the Year		4877.66	2331925.72
Earning per equity share of face value of Rs. 10 each			
Basic and Diluted	16	0.00	0.43
Significant Accounting Policies			
Notes on Financial Statements	1-16		

As per our report of even date
FOR R.K. MALPANI & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 002759C)



(RAKESH JHALANI)
PARTNER
MEMBERSHIP NO. 074142

FOR RAJASTHAN GASES LIMITED



(BABOOLAL SWARNKAR)
CHAIRMAN



(MANOJ DANWAR)
MD & CEO

JAIPUR
September 1, 2012

3. OTHER NON-CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Unsecured		
Dealers Security & Cyliner Security	6702764.05	6702764.05
Cyliner Advance from Dealers	4778100.00	4778100.00
Total	11480864.05	11480864.05

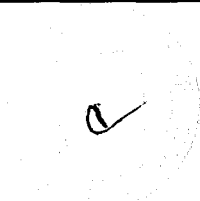
4. TRADE PAYABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
MSM Enterprises		
Others		
Sundry Creditors for Capital Goods	405169.00	405169.00
Sundry Creditors for Hire	8333862.70	8333862.70
Total	8739031.70	8739031.70

In Absence of any intimation from the vendors with regard to their registration (Filing of Memorandum) under "The Micro, Small and Medium Enterprises Development Act 2006" and considering the company has been extended credit period by its Creditors and payments being released on a timely basis, there is no Liability towards interest on delayed payments during the year under the said Act. There is no outstanding Interest in this regard, Brought Forward from Previous Years.

5. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2012	As at 31 March, 2011
Other Payables		
Advance received for which value still to be given	150000.00	0.00
Others Liabilities	7851543.39	7797556.39
Statutory Dues		
TDS Payable	3371.00	0.00
Total	8004914.39	7797556.39



Notes Accompanying to the financial Statement for the year ended March 31, 2012

The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

1. SHARE CAPITAL

(Amount in Rs.)

Share Capital	As at 31 March, 2012	As at 31 March, 2011
Authorised Share Capital : 6000000 (P.Y. 6000000) Equity Share of Rs.10/- each	60000000.00	60000000.00
	60000000.00	60000000.00
Issued, Subscribed and Paid up : 5373800 (P.Y.5373800) Equity Share of Rs.10/- each fully paid up	53738000.00	53738000.00
Total	53738000.00	53738000.00

1.1 The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 March, 2012	As at 31 March, 2011
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5373800	5373800
Shares Forfeited during the year	0	0
Shares issued during the year	0	0
Equity Shares at the end of the year	5373800	5373800

1.2 Terms/ Rights attached to Equity Shares

The Company has Equity Shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

1.3 The details of shareholders holding more than 5% shares :

Name of Shareholders	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares	% held	No. of Shares	% held
Roop Chand Baid	472699	8.80%	472699	8.80%

2. RESERVES AND SURPLUS

Particulars	As at 31 March, 2012	As at 31 March, 2011
Surplus :		
Opening Balance	(28204896.46)	(30536822.18)
Add : Net Profit during the year	4877.66	2331925.72
Closing Balance	(28200018.80)	(28204896.46)
Total	(28200018.80)	(28204896.46)

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7. NON-CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade Investment		
Investment in Equity Shares, Quoted and fully Paid up 225000 (P.Y. Nil) Equity Shares of Chandi Steel Industries Limited @ Rs. 10/- Each	2992500.00	0.00
Total	2992500.00	0.00

8. LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Capital Advance		
Advance against Capital Goods	6100000.00	6100000.00
Total	6100000.00	6100000.00

9. TRADE RECEIVABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
(Unsecured and Considered Good)		
More Than Six Months	17570814.14	17570814.14
Others	0.00	0.00
Total	17570814.14	17570814.14

10. CASH AND BANK BALANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash and Cash Equivalents		
(a) Balance With Banks:		
- In Current Accounts	43127.01	119961.35
(b) Cash on Hand	64992.00	84081.00
Total	108119.01	204042.35

11. SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Other Loans and Advances	3099364.00	2420205.00
Advance given for which value still to be received	7568446.52	7418446.52
Deposits	500.00	0.00
Share Application Money	0.00	3514000.00
Balance with Revenue Authorities :		
Advance Income Tax & TDS	93870.67	93870.67
Total	10762181.19	13446522.19

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RAJASTHAN GASES LIMITED

DETAILS OF FIXED ASSETS AND DEPRECIATION THEREON AS ON 31.03.2012 AS PER SCHEDULE XIV OF COMPANIES ACT, 1956

6. FIXED ASSETS

ANNEXURE-II

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As On 01.04.11	Addition	Deduction	As On 31.03.12	As on 31.03.11	during the year	Adjustment	As at 31.03.12	As On 31.03.12	As On 31.03.11
(i) Tangible Assets -Owned Assets										
(i) Land	712031.00	0.00	0.00	712031.00	0	0.00	0.00	0.00	712031.00	712031.00
(ii) Building	7073898.00	0.00	0.00	7073898.00	1402920.00	0.00	0.00	1402920.00	5670978.00	5670978.00
(ii) Plant and Equipment										
Plant & Machinery	11262428.00	0.00	0.00	11262428.00	2520840.00	0.00	0.00	2520840.00	8741588.00	8741588.00
Cylinders and Regulators	10694891.00	0.00	0.00	10694891.00	10411381.00	0.00	0.00	10411381.00	283510.00	283510.00
(iii) Furnitures & Fixtures	1393582.00	0.00	0.00	1393582.00	673302.00	0.00	0.00	673302.00	720280.00	720280.00
(iv) Office Equipments	555602.00	0.00	0.00	555602.00	456437.00	0.00	0.00	456437.00	99165.00	99165.00
(v) Others										
Misc. Fixed Assets	3314.00	0.00	0.00	3314.00	1689.00	0.00	0.00	1689.00	1625.00	1625.00
Total	31695746.00	0.00	0.00	31695746.00	15466569.00	0.00	0.00	15466569.00	16229177.00	16229177.00
Previous Year Figures	48305341.44	0.00	0.00	48305341.44	32076164.44	0.00	0.00	32076164.44	16229177.00	16229177.00



Notes Accompanying to the financial Statement for the year ended March 31, 2012

12. REVENUE FROM OPERATIONS

(Amount in Rs.)

Particulars	As At 31 March, 2012	As At 31 March, 2011
Other Operating Revenues		
Income From dealing in Commodities	1916317.54	2573290.60
Total	1916317.54	2573290.60

13. OTHER INCOME

Particulars	As at 31 March, 2012	As at 31 March, 2011
Other Operating Income		
Interest Received	286159.00	78335.00
Total	286159.00	78335.00

14. EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31 March, 2012	As at 31 March, 2011
Salaries & Wages	107000.00	72000.00
Total	107000.00	72000.00

15. OTHER EXPENSES

Particulars	As at 31 March, 2012	As at 31 March, 2011
Administrative Expenses		
Payment to Auditors	8423.00	8273.00
Legal and Professional fees	17500.00	2500.00
Postage and Telegram	51247.00	41757.00
Printing and Stationery	67383.00	32700.00
Registrar's Charges	33708.00	33090.00
Travelling & Conveyance Exp.	33521.90	12878.00
Depository Service Charges	34193.00	33090.00
General Exp.	36494.51	12679.15
Service Charges	22985.00	28650.00
Office Usages Charges	51000.00	42000.00
Bank Charges	6310.47	82.73
Demat Charges	1200.00	0.00
Donation	10000.00	0.00
Membership Charges (Stock Exchange)	1706885.00	0.00
Selling & Distribution Expense		
Advertisement & Publicity	9748.00	0.00
Total	2090598.88	247699.88

15.1 Payment to Auditors Includes

Particulars	As at 31 March, 2012	As at 31 March, 2011
Statutory Audit Fees	8423.00	8273.00
Total	8423.00	8273.00



Notes Accompanying to the financial Statement for the year ended March 31, 2012

16. EARNINGS PER SHARE

Earning per share as per Accounting Standard 20 is calculated as under :

Particulars	As at 31 March, 2012	As at 31 March, 2011
Profit/(Loss) for the year	4877.66	2331925.72
No. of Equity Shares	5373800.00	5373800.00
Basic and Diluted EPS	0.00	0.43
Nominal Value of Share	10.00	10.00

17. RELATED PARTY DISCLOSURES

-In pursuant to Accounting Standard 18 regarding Related Party Disclosure, the details are as under :

(i) Related parties (with whom transactions entered during the financial year)

Sr.No	Name Of The Related Party	Relationship
1	Manoj Danwar	Key Managerial Personnel
2	Baboo Lal Swarnkar	
3	Matadin Sonthalia	
4	Sunil Kumar Verma	
5	Nirmala Sharma	

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

ii) Transaction During The Year with Related Parties

Sr No.	NATURE OF TRANSACTION WITH RELATED PARTIES	Key Managerial Personnel
1	Loans and Advances Taken	200000.00
2	Repayment of Loans & Advances received	200000.00

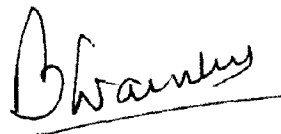
As per our report of even date
FOR R.K. MALPANI & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 002759C)



(RAKESH JHALANI)
PARTNER
MEMBERSHIP NO. 074142

JAIPUR
September 1, 2012

FOR RAJASTHAN GASES LIMITED



(BABOOLAL SWARNKAR)
CHAIRMAN



(MANOJ DANWAR)
MD & CEO

PARTICULARS	As at 31.3.2012 AMOUNT (In Rs.)	As at 31.3.2011 AMOUNT (In Rs.)
<u>BANK BALANCES</u>		
Dena Bank	38859.76	0.00
Oriental Bank Of Commerce	4267.25	17582.25
The Royal Bank of Scotland	0.00	102379.10
TOTAL	43127.01	119961.35

PARTICULARS	As at 31.3.2012 AMOUNT (In Rs.)	As at 31.3.2011 AMOUNT (In Rs.)
<u>ADVANCE RECEIVED FOR WHICH VALUE IS STILL TO BE GIVEN</u>		
Sunrise Investments Private Limited	150000.00	0.00
TOTAL	150000.00	0.00



RAJASTHAN GASES LIMITED

REGD. OFFICE: 40 & 41, Trinita Tower, 6th Floor, 5, Swage Farm, New Sanganer Road, Jaipur-302018

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(a) **Basis of Accounting**

The accompanying Financial Statements have been prepared to comply in all material aspects with the mandatory Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI'). The company has consistently applied the Accounting policies and is consistent with those used in the previous year. The Company generally follows mercantile system of Accounting recognizing both Income & Expenditure on accrual basis.

(b) **Accounting Assumptions**

The accounts are prepared on historical cost convention and as a going concern, accounting policies, not specifically referred to otherwise, are consistent with generally accepted accounting principles, unless otherwise stated.

(c) **Presentation and disclosure of financial statements**

During the year end 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with requirements applicable in the current year.

(d) **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported statements of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates and assumptions. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(e) **Fixed Assets:**

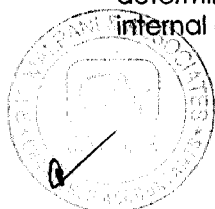
Fixed Assets are stated at cost less accumulated depreciation. Costs includes cost of acquisition and subsequent improvements thereto including borrowing costs, all relevant levies and other incidental expenses incurred to bring the assets to its present location and condition.

(e) **Event occurring after Balance Sheet Date**

No material events have occurred after the balance sheet date.

(f) **Impairment of Assets:**

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.



(f) **Contingent Liabilities**

Based on the information available, no contingent liabilities have been ascertained at the end of the year. Therefore, no provision for any contingent liability has been provided.

(h) The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

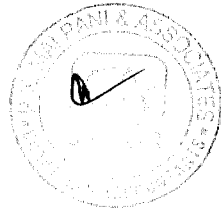
(i) There was no employee of the company drawing the remuneration of Rs. 6000000/- or more P.A., if employed for whole of the year, or Rs. 500000/- or more P.M., if employed for part of the year.

(j) Foreign Exchange Earning : Nil
Foreign Exchange Outgo : Nil

(k) CIF Value of Import : Nil

(l) In opinion of the Board of Directors, the aggregate value of current assets, loans & advances on realization in ordinary course of business shall not be less than the amount at which these are stated in the Balance Sheet.

Notes accompanying the financial statements-Contd.....




RAJASTHAN GASES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
Pursuant to Clause 32 of the listing agreement(s) (As amended)

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
A. Cash flow from operating activities:		
Net profit before tax & Extra-ordinary items.	4,877.66	2,331,925.72
Adjustments For:		
Depreciation	-	-
Interest Received	(286,159.00)	-
Operating Profit before Working Cap.Changes	(281,281.34)	2,331,925.72
(Increase)/Decrease in Inventories	-	337,000.00
(Increase)/Decrease in Debtors	-	2,924,895.00
(Increase)/Decrease in Loans & Advances	2,684,341.00	3,165,044.09
Increase/(Decre.)in Creditors & other liab.	207,358.00	(8,869,287.11)
Cash Generated from operations:	2,610,417.66	(110,422.30)
Income Tax	-	-
Cash flow before Extra-Ordinary items	-	-
Prior period adjustments (net)	-	-
Net Cash Flow from Operating activities	2,610,417.66	(110,422.30)
B. Cash Flow from Investing Activities:		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Purchase/Sale of Investments (Net)	(2,992,500.00)	-
Dividend Income	-	-
Net cash used in Investing Activities	(2,992,500.00)	-
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	-
Dividend Income	-	-
Increase /(Decrease)in borrowings	286,159.00	-
Net Cash realised from financing activities	286,159.00	-
Net Incr./ (decre.) in cash & cash equivalent (A+B+C)	(95,923.34)	(110,422.30)
Opening Cash & Cash Equivalent	204,042.35	314,464.65
Closing Cash & Cash Equivalent	108,119.01	204,042.35

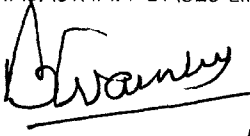
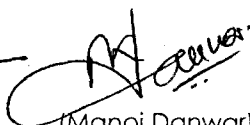
** Previous year figures have been re-grouped and recasted, where-ever necessary.

As per our attached Report of even date
For R.K. Malpani & Associates
Chartered Accountants
(FRN. 002759)



(Rakesh Jhalani)
Partner
Membership No. 074142

For and on behalf of the Board of Directors
For RAJASTHAN GASES LIMITED

(Baboo Lal Swarnkar)
Director

(Manoj Danwar)
Director

Place : Jaipur
Dated : 01.09.2012



RAJASTHAN GASES LIMITED

If Undelivered Please Return to:
Rajasthan Gases Limited
40 & 41, Trinti Tower, 6th Floor,
5, Swage Farm,
New Sanganer Road,
Jaipur-302018, Rajasthan