

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	Current Year 2010 - 11 Rs.	Previous Year 2009 - 10 Rs.
		(Rs. In Lacs)
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 that four calendar months. None of the directors of the company was a member of more that 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.

7. Investor Grievance Committee:

The Company has a Shareholder's/Investor's Grievance Committee comprising of Shri Sumeet S. Sethi, Smt. Yogita S. Sethi and Shri Rohit Thakkar, 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. Shri Sumeet S. Sethi will act as the Chairman of the Committee. The Board has designated Shri Sumeet 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 31/03/2011.

8. Details of last three AGM

Year	Date	Time	Venue
2009-10	30/09/10	04.00 p.m.	Registered Office of the Company
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

During the year ended on 31st March, 2011 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 : 30/09/2011
Time : 04.00 p.m.
Venue : 111/952, Nirmal Apartment, Sola Road, Naranpura, Ahmedabad – 380064.

□ Financial Calendar (for the year 2010-2011):

1. Date of Book Closure : 27/09/2011 TO 29/09/2011.
2. Date & Venue of AGM : 30/09/2011 at 111/952, NIRMAL APPARTMENT,
SOLA ROAD, NARANPURA, AHMEDABD – 380064.
3. Financial Calendar : April, 2010 to March, 2011
 - Results for the quarter ending on June 30, 2010 : Last week of July, 2010
 - Results for the quarter ending on September 30, 2010 : Last week of October, 2010
 - Results for the quarter ending on December 31, 2010 : Last week of January, 2011
 - Results for the quarter ending on March 31, 2011 : Last week of April, 2011
 - Annual General Meeting for the Year 2010-11 : 30th November 2011

□ Listing on Stock Exchanges

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

Registered Office

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

Corporate Office:

: 306, Sarthik Complex, Nr. Fun Republic,
 Satellite, Ahmedabad - 380015

□ Stock / Company Code and Market Data

The Company has not yet dematerialized its shares. The Company is at the verge of dematerialization of Shares. The company has paid listing fees for the year 2010-11 to all the 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 3,213,500 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 31.03.2011 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
TOTAL	7867	100.00	32135000	100.00

Categories of Shareholders as on 31.03.2011 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
	TOTAL	7867	100.00	3213500

□ **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. 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. 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 NIL
2. Total foreign exchange earned NIL

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Ahmedabad Gases Limited
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Ahmedabad Gases Limited** ("the Company"), for the year ended on **31 March 2011**, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the 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 the above mentioned Listing Agreement except as stated below.

1. The Company has not appointed a qualified company secretary.
2. The Company has yet not dematerialized its shares.
3. The Company has yet not published its quarterly / half-yearly accounts in any news papers

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further 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.

Place : Ahmedabad

**For SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W**

Date : 1st September, 2011

**SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052**

AHMEDABAD GASES LIMITED

:AUDIT REPORT:

2010 - 11

:AUDITOR:

SAMIR M. SHAH & ASSOCIATES

CHARTERED ACCOUNTANT

B- 516, GOPAL PALACE,

NR. SHIROMANI FLATS,

SATELLITE ROAD,

AHMEDABAD, GUJARAT - 380015

AUDITORS' REPORT

To,
The Members
Ahmedabad Gases Limited

We have audited the attached Balance-Sheet of **AHMEDABAD GASES LTD.**, as on **31st March 2011** and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies Auditors' 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 to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from examination of the books;
- iii) The Balance-Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
- iv) In our opinion, the Profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies' Act, 1956 except AS – 15 (Revised) as mentioned in accounting policy;
- v) on the basis of written representations received from the directors of the company as at **31st March 2011** and taken on record by the board of directors, we report that no director is disqualified as on **31st March 2011** from being appointed as director of the company under clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956;

...2...

- vi) In our opinion and to the best of our information and according to the explanation given to us, the accounts, read together with Notes thereon mentioned in, Schedule 15 give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the **accounting principles generally accepted in India.:**
- a) in the case of Balance-Sheet, of the state of affairs of the company as at **31st March, 2011**; and
 - b) in the case of the Profit & Loss Account, of the **PROFIT** for the year ended on that date.
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Ahmedabad

For **SAMIR M. SHAH & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W

Date: 01/09/2011

SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052
B-516, Gopal Palace,
Nr. Shiromani Flates, Opp. Ocean Park,
Satellite Road, Ahmedabad-380015

ANNEXURE REFERRED TO IN THE AUDITORS REPORT TO THE SHAREHOLDERS OF AHMEDABAD GASES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The management during the year has physically verified at the fixed assets. According to the information and explanations given to us, 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. No material discrepancies were noticed on such verification.
 - (c) During the year, Company has not disposed of any substantial / major part of fixed assets.
- (ii)
- (a) As the Company has no business in the Financial Year and hence Inventory is not there with the company this clause is not applicable.
 - (b) As the Company has no business in the Financial Year and hence Inventory is not there with the company this clause is not applicable.
 - (c) As the Company has no business in the Financial Year and hence Inventory is not there with the company this clause is not applicable.
- (iii)
- (a) The company has not granted any loans to any parties who are covered in the Register, maintained under section 301 of the Companies Act, 1956 during the current as well as preceding financial year. The Company has not accepted loan from the Company which is covered under section 301 of the Companies Act, 1956.
 - (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loans given or taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.
 - (c) As the Company has not granted any loans this clause is not applicable.
 - (d) As the Company has not taken or granted any loans this clause is not applicable.
- (iv)
- In our opinion and as per information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- (v)
- (a) In our opinion and as per information and explanations given to us, transactions that need to be entered into a register in pursuance of section 301 of the Act, have been so entered;
 - (b) In our opinion and as per information and explanations given to us, the transactions exceeding Rupees five lakh each have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time;
- (This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one financial year)
- (vi)
- In our opinion and as per information and explanations given to us, the Company has complied with the provisions of Sec.58 A and 58AA of the Companies Act, 1956 and rules framed there under with regard to deposits accepted from public.
- (vii)
- As per the information and explanations given to us, the company is yet to set up a formal internal audit system commensurate with the size of the Company and nature of its business. We are also informed that the day-to-day activities of the company are under direct control and supervision of directors of the company.

- (viii) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the records of the Company, the company has been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities during the year.
(b) According to the information and explanations provided to us there were no undisputed demands payable in respect of Sales Tax, Income Tax, Custom Duty, Cess, Wealth tax, Excise Duty, Cess etc., where in arrears as at **31st March, 2011** for a period of more than six months from the date they became payable.
(c) According to the information and explanations provided to us there were no undisputed demands payable in respect of Sales Tax, Income Tax, Custom Duty, Cess, Wealth tax, Excise Duty, Cess etc., which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company at the end of the year are more than fifty percent of its net worth. The Company has not incurred cash losses during the current as well as preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to a financial institution or bank or debenture holders.
- (xii) According to the records, of the Company and information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi Fund or any Mutual Benefit/ Societies are not applicable to the Company.
- (xiv) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company has not entered into transactions and contracts of dealing in shares and securities so this clause is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) As explained to us and on the basis of the records provided to us, Company has not availed any Term Loan Facility during the year.
- (xvii) According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, on overall basis, funds raised on short term basis have , prima facie, not been used during the year for long term investment and vice versa.
- (xviii) 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, during the year so the clause is not applicable to the Company.
- (xix) The Company has not issued debenture during the year so the clause is not applicable to the Company.
- (xx) The Company has not raised money by any public issues during the year so the clause is not applicable to the Company.
- (xxi) 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.

Place : Ahmedabad

Date : 01/09/2011

**For SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W**

**SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052
B-516, Gopal Palace,
Nr. Shiromani Flates, Opp. Ocean Park,
Satellite Road, Ahmedabad-380015**

CEO/CFO CERTIFICATION TO THE BOARD

(Under Clause 49(V) of Listing Agreement)

I Certify that:

a) I have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2010-11 which are fraudulent, illegal or violative of the Bank's code of conduct;

c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2010-11.
- Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over the financial reporting.

Place: Ahmedabad

FOR AHMEDABAD GASES LIMITED

Date: 01/09/2011

(SUMEET SETHI)

MANAGING DIRECTOR

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Ahmedabad Gases Limited
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Ahmedabad Gases Limited** ("the Company"), for the year ended on **31 March 2011**, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the 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 the above mentioned Listing Agreement except as stated below.

1. The Company has not appointed a qualified company secretary.
2. The Company has yet not dematerialized its shares.
3. The Company has yet not published its quarterly / half-yearly accounts in any news papers

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further 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.

Place : Ahmedabad

**For SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W**

Date : 1st September, 2011

**SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052**

AHMEDABAD GASES LIMITED

BALANCE SHEET AS ON 31st MARCH, 2011

PARTICULARS	SCH No.	AS ON 31.03.11	AS ON 31.03.11	AS ON 31.03.10
I. SOURCES OF FUNDS :				
[1] SHAREHOLDERS' FUNDS	1	32,135,000	32,135,000	32,135,000
(A) SHARE CAPITAL		-		-
(B) RESERVE & SURPLUS				32,135,000
[2] LOAN FUNDS		-	507,500	-
(A) SECURED LOANS		507,500		507,500
(B) UNSECURED LOANS				-
TOTAL			32,642,500	32,135,000
II. APPLICATION OF FUNDS :				
[1] FIXED ASSETS	2	4,297,282		17,807,545
(A) GROSS BLOCK		3,912,842		16,984,055
(B) LESS : DEPRECIATION				
(C) NET BLOCK			384,440	823,489
[2] INVESTMENTS			-	-
[3] DEFERRED TAX ASSET			-	-
[4] CURRENT ASSETS, LOANS & ADVANCES	3	-		-
(A) INVENTORIES		2,014,970		875,921
(B) SUNDRY DEBTORS		1,861,673		1,333,888
(C) CASH & BANK BALANCES		6,761,254		6,822,484
(D) LOANS & ADVANCES				
		10,637,897		9,032,292
LESS : CURRENT LIABILITIES & PROVISIONS	4	204,114		156,000
(A) CURRENT LIABILITIES		73,418		73,418
(B) PROVISIONS				
		277,532		229,418
NET CURRENT ASSETS			10,360,365	8,802,875
[5] MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJ.			-	-
[6] PROFIT & LOSS ACCOUNT	5		21,897,695	22,508,636
NOTES ON ACCOUNTS	11			
TOTAL			32,642,500	32,135,000

AS PER OUR REPORT OF EVEN DATE

For SAMIR M.SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W

For AHMEDABAD GASES LTD.

SAMIR M. SHAH
PARTNER
MEMBERSHIP No.: 111052

DIRECTOR **DIRECTOR**

PLACE : AHMEDABAD,
DATE : 1st September, 2011

PLACE : AHMEDABAD,
DATE : 1st September, 2011

AHMEDABAD GASES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011

PARTICULARS	SCH No.	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
<u>INCOME :</u>			
SALES & OTHER INCOME	6	848,290	-
INCREASE / (DECREASE) IN STOCK		-	-
TOTAL		848,290	-
<u>EXPENDITURE :</u>			
PURCHASE		-	-
MANUFACTURING EXPENSES		-	-
DIRECT EXPENSES		-	-
PAYMENTS TO & PROVISION FOR EMPLOYEE	7	-	-
ADMINISTRATIVE & GENERAL EXPENSES	8	18,060	-
FINANCIAL EXPENSES	9	70,999	40
DEPRECIATION	2	148,290	148,290
		237,349	148,330
PROFIT/(LOSS) BEFORE TAX & PRIOR PERIOD ADJ.		610,941	(148,330)
LESS : PRIOR PERIOD ADJUSTMENTS		-	-
PROFIT/(LOSS) AFTER TAX & PRIOR PERIOD ADJ.		610,941	(148,330)
LESS : PROVISION FOR TAXATION & FBT	10	-	-
PROFIT/(LOSS) AFTER TAXATION		610,941	(148,330)
ADD. : BALANCE OF LAST YEAR		(23,008,636)	(22,860,306)
BALANCE CARRIED TO BALANCE SHEET		(22,397,695)	(23,008,636)
EARNING PER SHARE BASIC / DILUTED (in Rs.)		0.19	(0.05)
NOTES ON ACCOUNTS	11		
AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH.			
For SAMIR M. SHAH & ASSOCIATES CHARTERED ACCOUNTANTS FIRM REG. No.: 122377W SAMIR M. SHAH PARTNER MEMBERSHIP No.: 111052		For AHMEDABAD GASES LTD. DIRECTOR DIRECTOR	
PLACE : AHMEDABAD DATE : 1st September, 2011		PLACE : AHMEDABAD DATE : 1st September, 2011	

AHMEDABAD GASES LIMITED**SCHEDULES "1" TO "11" ANNEXED TO AND FORMING PART OF THE
ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011****SCHEDULE : 1
SHARE CAPITAL**

PARTICULARS	AS ON 31.03.11	AS ON 31.03.10
AUTHORISED :		
<u>EQUITY SHARE CAPITAL :</u>		
3500000 Equity Shares each of Rs.11/- (Prev.Year - 3500000 Equity Shares of Rs.11/- each)	35,000,000	35,000,000
<u>ISSUED, SUBSCRIBED & PAID UP :</u>		
<u>EQUITY SHARE CAPITAL :</u>		
3213500 Equity Shares each of Rs.11/- Fully Paid-up (Prev.Year - 3213500 Equity Shares of Rs.11/- each fully paid-up)	32,135,000	32,135,000
TOTAL	32,135,000	32,135,000

AHMEDABAD GASES LIMITED

**SCHEDULE : 2
FIXED ASSETS**

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BALANCE ON 1.4.2010 RS.	ADDITIONS DURING THE YEAR RS.	DEDUCTION DURING THE YEAR RS.	CLOSING BALANCE ON 31.3.2011 RS.	OPENING BALANCE ON 1.4.2010 RS.	PROVIDED DURING THE YEAR RS.	DEDUCTIONS DURING THE YEAR RS.	CLOSING BALANCE ON 31.3.2011 RS.	AS ON 31.3.2011 RS.	AS ON 31.03.2010 RS.
1. OFFICE PREMISES/GUEST HOUSE	-	-	-	-	-	-	-	-	-	-
2. GAS CYLINDERS	13,510,263	-	13,510,263	0	13,127,753	91,751	13,219,504	0	0	382,511
3. OFFICE EQUIPMENTS	184,126	-	-	184,126	111,927	3,790	-	115,717	68,410	72,200
4. FURNITURE	143,671	-	-	143,671	113,898	2,158	-	116,056	27,615	29,773
5. VEHICLES	973,734	-	-	973,734	723,093	29,396	-	752,489	221,245	250,641
6. COMPUTERS	196,750	-	-	196,750	187,633	2,187	-	189,820	6,930	9,117
7. FURNITURE (GUEST HOUSE)	-	-	-	-	-	-	-	-	-	-
8. GAS CYLINDERS (D.A.)	2,799,000	-	-	2,799,000	2,719,752	19,008	-	2,738,760	60,240	79,248
TOTAL	17,807,545	-	13,510,263	4,297,282	16,984,055	148,290	13,219,504	3,912,842	384,440	823,489
PREVIOUS YEAR	17,807,545	-	-	17,807,545	16,835,765	148,290	-	16,984,055	823,489	971,779

AHMEDABAD GASES LIMITED

**SCHEDULE : 3
CURRENT ASSETS, LOANS & ADVANCES**

PARTICULARS	AS ON 31.03.11	AS ON 31.03.10
(A) SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Outstanding for more than Six Months	875,921	875,921
Others	1,139,049	-
	<u>2,014,970</u>	<u>875,921</u>
Less : Provision for Doubtful Debts	-	-
TOTAL (B)	<u>2,014,970</u>	<u>875,921</u>
(B) CASH & BANK BALANCES		
Cash on Hand	1,720,097	1,330,097
Balances with Non-Scheduled Banks	141,576	3,791
TOTAL (C)	<u>1,861,673</u>	<u>1,333,888</u>
(C) LOANS & ADVANCES		
(Recoverable in cash or kind or for value to be received)		
Business Deposits	430,050	430,050
Others	6,331,204	6,392,434
TOTAL (D)	<u>6,761,254</u>	<u>6,822,484</u>
TOTAL (A) to (C)	<u>10,637,897</u>	<u>9,032,293</u>

AHMEDABAD GASES LIMITED**SCHEDULE : 4
CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	AS ON 31.03.11	AS ON 31.03.10
(A) CURRENT LIABILITIES		
Sundry Creditors for Goods	100,000	100,000
Other Creditors & Liabilities	91,114	43,000
Dealers Deposits	13,000	13,000
TOTAL (A)	204,114	156,000
(B) PROVISIONS		
Provisions for Expenses	73,418	73,418
TOTAL (B)	73,418	73,418
TOTAL (A) & (B)	277,532	229,418

**SCHEDULE : 5
PROFIT & LOSS ACCOUNT**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
As per Annexed Account	22,397,695	23,008,636
Less : General Reserve shown as per contra	(500,000)	(500,000)
TOTAL	21,897,695	22,508,636

**SCHEDULE : 6
SALES & OTHER INCOME**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
Sales of Gases	-	-
Profit from Sale of Gas Cylinders (Fixed Asset)	848,290	-
TOTAL	848,290	-

AHMEDABAD GASES LIMITED

**SCHEDULE : 7
PAYMENT TO AND PROVISION FOR EMPLOYEES**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
Salary, Wages, Bonus etc.	-	-
TOTAL	<u>-</u>	<u>-</u>

**SCHEDULE : 8
ADMINISTRATIVE & GENERAL EXPENSES**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
Rent-Office	18,060	-
TOTAL	<u>18,060</u>	<u>-</u>

**SCHEDULE : 9
FINANCIAL EXPENSES**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
Bank Commission & Charges	1,655	40
Listing Fees	49,344	
Share Registry Charges	20,000	
TOTAL	<u>70,999</u>	<u>40</u>

**SCHEDULE : 10
PROVISION FOR TAXATION**

PARTICULARS	YEAR ENDED 31.03.11	YEAR ENDED 31.03.10
For Current Tax	-	-
	<u>-</u>	<u>-</u>

AHMEDABAD GASES LIMITED

SCHEDULE : 11

NOTES ATTACHED TO AND FORMING THE PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

1. SIGNIFICANT ACCOUNTING POLICIES :

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial statements have been prepared on a historical cost convention on an accrual basis and generally comply with the requirements of the Companies' Act, 1956.

b. REVENUE RECOGNITION :

All Income and expenses are recognized on Accrual basis.

c. FIXED ASSETS AND DEPRECIATION :

All Fixed Assets are stated at its cost of acquisition/construction including any attributable expenses incurred for bringing the asset into working condition for its intended use, less accumulated depreciation.

Depreciation on assets have been provided on straight line method at the rates, and in the manner prescribed in Schedule XIV to the Companies' Act 1956.

Depreciation for assets purchased / sold during the period is proportionately charged.

d. INVENTORIES :

There are no closing stocks at the end of year under report.

e. INVESTMENTS :

There are no investments made during the year under report.

f. RETIREMENT BENEFITS TO EMPLOYEES:

As per the explanation received from the management no provision for gratuity has been made since none of the employees of the Company have completed the specified period of service. However, the same is in contravention to the Accounting Standard 15 (Revised) – Retirement Benefits as issued by the institute of Chartered Accountants of India.

g. TAXATION:

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. The deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax Asset in respect of unabsorbed depreciation and carried forward of losses and allowances and other items are recognized if there is virtual certainty that there will be sufficient future taxable income.

AHMEDABAD GASES LIMITED

h. EARNINGS PER SHARE :

In determining earning per share, the company considers the net profit/loss after tax and includes the post – tax effect of any extra – ordinary items. The number of shares used in computing diluted earnings per share is the weighted average number of shares outstanding during the period. There are no potentially dilutive equity shares.

Particulars	2010-11	(Rs. In Lacs) 2009-10
Net Profit/(Loss) attributable to shareholders	6.10	(-) 1.48
Weighted Average Number of Equity Shares outstanding during the year	3213500	3213500
Basic and diluted Earning Per Share (Rupees)	0.19	(-) 0.05

i. SEGMENT REPORTING :

The company is engaged in the business of industrial gases. The products are similar in nature and therefore are not subject to different risks and returns. Moreover, the company caters only to the needs of Indian Markets. Hence there are no reportable business segments/geographical segments.

2. EXPENDITURE BY THE COMPANY ON EMPLOYEES:

- a. If employed throughout the financial year and were in receipt of remuneration for that year which in aggregate was not less than Rs. 24.00 Lacs ; Rs. – NIL –
- b. If employed for a part of the financial year and were in receipt of remuneration for that year which in aggregate was not less than Rs. 2.00 Lacs ; Rs. – NIL –

3. PAYMENT MADE TO AUDITORS :

2010-11 Rs.	2009-2010 Rs
– NIL –	– NIL –
– NIL –	– NIL –
– NIL –	– NIL –
-----	-----
– NIL –	– NIL –
=====	=====

4. PAYMENT MADE TO DIRECTORS :

2010-11 Rs.	2009-2010 Rs
– NIL –	– NIL –
– NIL –	– NIL –
-----	-----
– NIL –	– NIL –
=====	=====

AHMEDABAD GASES LIMITED

5. QUANTATIVE INFORMATION REQUIRED TO BE GIVEN UNDER PARA 324 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, A956.

PARTICULARS	2010-2011		2009-2010	
	Qty. in CMT	Value (Rs.)	Qty. in CMT	Value (Rs.)
a) License Capacity	N.A.	N.A.	N.A.	N.A.
b) Installed Capacity				
a. Oxygen Gas	NIL	N.A.	NIL	N.A.
b. Nitrogen Gas	NIL	N.A.	NIL	N.A.
c) Actual Production				
a. Oxygen Gas	NIL	N.A.	NIL	N.A.
b. Nitrogen Gas	NIL	N.A.	NIL	N.A.
d) Sales				
Industrial Gases				
a. Manufacturing	NIL	NIL	NIL	NIL
b. Traded Goods	NIL	NIL	NIL	NIL
e) Purchase for Resale				
Industrial Gases	NIL	NIL	NIL	NIL
f) Opening Stock				
Industrial Gases	NIL	NIL	NIL	NIL
g) Closing Stock				
Industrial Gases	NIL	NIL	NIL	NIL

	<u>2010-11</u>	<u>2009-2010</u>
	Rs.	Rs
6. C.I.F. value of Imports of Raw Materials, Components, Stores, Spares, Capital Goods etc.	– NIL –	– NIL –
7. C.I.F. value of Imports of Raw Materials, Consumed	– NIL –	– NIL –
8. Remittance in Foreign Exchange on account of Dividend, Royalty etc.	– NIL –	– NIL –
9. Earning in Foreign Currency	– NIL –	– NIL –
10. As informed to us, the Company, in absence of adequate information, has not determined amount payable to Small Scale Industries.		

AHMEDABAD GASES LIMITED

11. Debit Balances of Companies firms or other parties listed in the register maintained or in which the Directors or their relatives are interested :

SR.NO	NAME OF THE PERSON	CLOSING	MAX.DR.BAL
		DR.BALANCE (DEBIT)	O/S AT ANY TIME DURING THE YEAR.
		Rs.	Rs.
01.	Ahmedabad Cryogenic Product Ltd.	48,38,287	48,38,287

12. RELATED PARTY DISCLOSURES:

Information about Related Parties as per Accounting Standard (AS-18)

(A) Companies / Firms controlled by Directors / their relatives :

1. Ahmedabad Cryogenic Product Limited
2. Earnest Industrial Gases Pvt. Ltd.
3. Bhagat Enterprise
4. Gas Centre
5. Sethi Industrial Gases (Guj) Pvt. Ltd.

(B) Key Management Personnel and Relatives :

1. Mr. Sumeet S. Sethi - Managing Director
2. Mrs. Yogita S. Sethi - Director
3. Mr. Jagdish A. Akhani - Director

(C) Transactions with Related Parties as per Accounting Standard (AS-18)

Transactions carried out with related parties referred above in ordinary course of business are as follows :

Sr. No.	Nature of Transactions	Referred to in (A) above		Referred to in (B) above	
		2010-2011	2009-2010	2010-2011	2009-2010
1	Sales	NIL	NIL	NIL	NIL
2	Purchases	NIL	NIL	NIL	NIL
3	Expenditures	NIL	NIL	NIL	NIL
4	Income from Services/Rent	NIL	NIL	NIL	NIL
5	Income from Sale of Assets	NIL	NIL	NIL	NIL
6	Rent Paid	NIL	NIL	NIL	NIL
7	Outstanding Bal. – 31.03.2011				
	Debtors	4838287	6338287	NIL	NIL
	Creditors	NIL	NIL	NIL	NIL
	Loans & Advances	NIL	NIL	NIL	NIL
	Remuneration Paid	NIL	NIL	NIL	NIL
	Sitting Fees Paid	NIL	NIL	NIL	NIL

Notes :

- a) Company has not written off or written back any amount in respect of debts due from or to related parties.
- b) Previous years figures have been mentioned in brackets.
- c) Receipts and Payments include Opening Balance Outstanding in the respective accounts.

AHMEDABAD GASES LIMITED

13. Previous year's figures have been regrouped and re-arranged wherever necessary to make them comparable with those of the current year.
14. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of the business.
15. In respect of Income tax liability the Company does not expect any further liability other than provided for in the accounts.
16. Figures in Paise have been are rounded off to the nearest rupee.
17. All sundry debit and credit balances and balances standing in sister concern's accounts are subject to confirmation.
18. Bank Balances are subject to confirmation.
19. Wherever when original bills / vouchers/ supportings were not available during the course of our audit we have relied upon the vouchers / bills as certified by the directors.
19. The Company has not appointed whole time Company Secretary as required U/s. 383A of the Companies Act, 1956.
20. In Accordance with Accounting Standard (AS-28) on "Impairment of Asset" issued by the Institute of Chartered Accountants of India the company during the year carried out an exercise to assess the impairment loss of assets. Based on such exercise, there is no impairment of assets. Accordingly no adjustment in respect of loss/profit on impairment of assets is required to be made in the accounts.

Signature to Schedules " 1 " TO " 11 "

For Samir M. Shah & Associates
Chartered Accountants
FIRM REG. No.: 122377W

(Samir M. Shah)
PARTNER
MEMBERSHIP No.: 111052

Place : Ahmedabad
Date : 1st September, 2011

For Ahmedabad Gases Ltd.

Managing Director Director

Place : Ahmedabad
Date : 1st September, 2011

AHMEDABAD GASES LIMITED

ANNEXURE – II

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	U24111GJ1992PTC018192	State Code	04
Balance Sheet Date	31-03-2011		

II. Capital Raised during the Year (Amount Rs. In Thousands)

Public Issue	--NIL--	Right Issue	--NIL--
Bonus Issue	--NIL--	Private Placement	--NIL--

III. Position of mobilization and Deployment of Fund (Amount Rs. In Thousands)

Sources of Funds

Total Liabilities	32642.00
Paid – Up Capital	32135.00
Share Appli. Money	--NIL--
Reserves & Surplus	--NIL--
Secured Loans	--NIL--
Unsecured Loans	--NIL--
Defer. Tax Liability	--NIL--

Application of Funds

Total Assets	32642.00
Net Fixed Assets	384.44
Defer. Tax Assets	--NIL--
Investments	--NIL--
Net Current Assets	10360.36
Misc. Expenditure	--NIL--
Profit & Loss Account	21897.69

IV. Performance of Company (Amount Rs. in Thousands)

Turnover(Gross Rev)	--NIL--	Total Expenditure	237.35
Profit/(Loss) Before Tax	610.94	Profit/(Loss) after Tax	610.94
E. P. Share in (%)	0.19	Dividend Rate %	-- NIL --

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code NO. (ITC Code)	(1) 280430.00	(2) 280440.00
Product Description	(1) Nitrogen Gas	(2) Oxygen Gas

For Samir M. Shah & Associates
Chartered Accountants
FIRM REG. No.: 122377W

For Ahmedabad Gases Ltd.

(Samir M. Shah)
PARTNER
MEMBERSHIP No.: 111052

Managing Director Director

Place : Ahmedabad
Date : 1st September, 2011

Place : Ahmedabad
Date : 1st September, 2011

SAMIR M. SHAH & ASSOCIATES
Chartered Accountants

B-516, Gopal Palace, Nr. Shiromani Flats, Opp. Ocean Park, Satellite Road, Ambawadi, Ahmedabad – 380 015.
Phone : 079 – 2676 9033 / 40308385
E-mail : info@smshah.co.in

AUDITORS' CERTIFICATE ON CASH FLOW STATEMENT

We have examined the annexed Cash Flow Statement of “AHMEDABAD GASES LIMITED” for the year ended **31st March, 2011**. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with Ahmedabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 1st September, 2011 to the members of the Company.

Place : Ahmedabad

For SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W

Date : 1st September, 2011

SAMIR M. SHAH
(PARTNER)
MEMBERSHIP No.: 111052

AHMEDABAD GASES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

A. CASH FLOW FROM OPERATING ACTIVITIES:	2010-11		2009-10
Net Profit after tax and Extra Ordinary items		610,941	(148,330)
Adjustments for:			
Depreciation	148,290		148,290
Interest Charged	21,655		40
	169,945		148,330
Less:			
Interest & Other Income Received	848,290		-
		848,290	-
Operating Profit before working		(678,345)	148,330
Capital Changes		(67,404)	-
Adjustments for;			
Debtors	(1,139,049)		-
Inventories	-		-
Loans & Advances	61,230		-
Current Liabilities & Provision	48,114		118
		(1,029,705)	118
Cash generated from Operations		(1,097,109)	118
Prior year Adjustments		-	-
Cash Generated from Operations		(1,097,109)	118
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets	-		-
Sale of Fixed Assets	290,759		-
Interest paid	(21,655)		(40)
Interest and Other Income Received	848,290		-
Cash Flow From Investment Activities		1,117,395	(40)
		20,286	78
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Unsecured Loans	507,500		-
Secured Loans	-		-
Cash from Financing Activities		507,500	-
NET CHANGES IN CASH AND CASH EQUIVALENTS		527,786	78
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (Opening balance)		1,333,888	1,333,810
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (Closing balance)		1,861,673	1,333,888
NET INCREASE IN CASH AND CASH EQUIVALENTS		527,786	78

For AHMEDABAD GASES LIMITED

(MANAGING DIRECTOR)
AHMEDABAD

Auditors' Report

We have verified the attached Cash Flow Statement of AHMEDABAD GASES LIMITED, derived from audited financial statements and the books and records maintained by the Company for the year ended 31st March 2011 and found the same in agreement therewith.

AHMEDABAD

FOR SAMIR M. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. No.: 122377W

(SAMIR M. SHAH)
PARTNER

DATE: 1st September, 2011

MEMBERSHIP No.: 111052

ATTENDANCE SLIP

AHMEDABAD GASES LIMITED

REGISTERED OFFICE:111/952 NIRMAL APPARTMENT,
SOLAROAD, NARANPURA, AHMEDABAD – 380013

L. F. NO. : _____

NAME OF THE SHAREHOLDER / PROXY : _____

ADDRESS : _____

Hereby record my presence at the 19th ANNUAL GENERAL MEETING of the company to be held on 30th September 2011 at 4.00 p.m. at the Registered Office of the Company.

SIGNATURE OF SHAREHOLDER / PROXY*

*Strike out whichever is not applicable.

AHMEDABAD GASES LIMITED

REGISTERED OFFICE ; 111/952 NIRMAL APPARTMENT,
SOLA ROAD,NARANPURA, AHMEDABAD – 380064.

L.F. NO.: _____

I/We _____ of
_____ being a member/ members of ANMEDABAD GASES LIMITED hereby appoint
Mr./Ms. _____ of failing him/her
Mr./Ms. _____ of as my/our proxy
to vote for me / us and my/ our behalf at the 19th ANNUAL GENERAL MEETING of the company to be
held on 30th September 2011 at 4.00 p.m. at the Registered Office of the Company.

Signed this _____ day of _____ 2011 by the said.

Revenue Stamp of Re. 1/- Signature

NOTE :

The Proxy should be returned so as to reach at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be the Member of the Company.