

# **RAJASTHAN GASES LIMITED**

**ANNUAL REPORT  
2008-09**



## CONTENT

|    |   |
|----|---|
| 01 | NOTICE  |
| 02 | DIRECTOR'S REPORT   |
| 03 | MANAGEMENT DISCUSSION AND ANALYSIS REPORT                   |
| 04 | CORPORATE GOVERNANCE REPORT                                 |
| 05 | CEO CERTIFICATION   |
| 06 | AUDITOR'S REPORT  |
| 07 | BALANCE SHEET   |
| 08 | PROFIT AND LOSS ACCOUNT                                     |
| 09 | SCHEDULES FORMING PART OF BALANCE SHEET                     |
| 10 | CASH FLOW STATEMENT   |
| 11 | BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE |



**RAJASTHAN GASES LIMITED**

Regd. Office: HE –1, Ashirwad Complex, Transport Nagar, Jaipur

**NOTICE**

Notice is hereby given that the ANNUAL GENERAL MEETING of the members of RAJASTHAN GASES LIMITED will be held on Tuesday, 29<sup>th</sup> September, 2009 at 11.30 AM at HE-1, Ashirwad Complex, Transport Nagar, Jaipur to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2009 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**

Sd/

Sd/

**(BABOOLAL SWARNKAR)**

**(MANOJ DANWAR)**

Director

Director

PLACE: JAIPUR

DATED: 15/07/2009

**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 21.09.2009 TO 29.09.2009 (BOTH DAYS INCLUSIVE).

## RAJASTHAN GASES LIMITED

Regd. Office: HE –1, Ashirwad Complex, Transport Nagar, Jaipur.

### DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the SIXTEENTH Annual Report together with the audited statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

#### 1. OPERATIONS

The Summarised financial highlights are as under

|                           | For the year<br>ended 31.03.09 | For the year<br>ended 31.03.08 |
|---------------------------|--------------------------------|--------------------------------|
| Other Income              | 172446.70                      | 189234.33                      |
|                           | -----                          | -----                          |
|                           | 172446.70                      | 189234.33                      |
|                           | -----                          | -----                          |
| Total Expenditure         | 173781.00                      | 244385.00                      |
| Operating Profit / (Loss) | (1334.30)                      | (55150.67)                     |
| Depreciation              | Nil                            | Nil                            |
| Provision for taxation    | Nil                            | Nil                            |
|                           | -----                          | -----                          |
| Profit / (Loss) after tax | (1334.30)                      | (55150.67)                     |

#### 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 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 Sanjay Kumar Danwar, Shri Manoj Danwar and Shri Baboolal Swarnkar.

**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 re-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 polices 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

Sd/  
(BABOOLAL SWARNKAR)  
Chairman

Place : JAIPUR  
DATED : 15/07/2009



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report Pursuant to Clause 49 of Listing Agreement.

### **i) Industry Structure and Development**

The Company is engaged in the business of Gas distribution and transportation activity. The Company intends to extend its area of operation to other activities related to distribution network. The gas industry in which the Company is dealing is recently having trends of volatility and has huge demand in overall global market.

### **ii) Opportunities and Threats**

Growing energy demand of India and necessity to service that to ensure economic growth is not compromised, presents business opportunities in the complete value chain of oil and gas sector.

### **iii) Internal Control system and their adequacy**

The Company has adequate system of internal controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These control ensure safeguarding of assets, reduction and detection of frauds and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

### **iv) Financial performance with respect to operational performance**

The financial performance of the Company for the year 2008-09 is described in Directors Report.

### **v) Human Resources/ Industrial Relations**

Your Company has undertaken certain employees' Development initiatives which have very positive impact on the moral and team spirit of the employees. The Company has continued to give special attention to Human Resources/ Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

### **vi) Cautionary Statement:-**

Statement in this management Discussion and Analysis describing the company's objectives, projections, estimated and expectations are "forward looking statements" Actual results might differ, materially from those anticipated because of changing ground realities.

## RAJASTHAN GASES LIMITED

Regd. Office: HE -1, Ashirwad Complex, Transport Nagar, Jaipur

### 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 one 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 three Directors comprising of one Executive Director and two Non-Executive Directors.

The Board met six times on the following dates during the financial year 2008-2009.

10/04/2008 09/05/2008 18/08/2008 29/09/2008 11/10/2008 28/03/2009

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 31.03.2009 are given below :

| Name                 | Category               | No. of Meetings held during the Financial Year | No. of Board Meetings attended during 2009-2010 | Whether attended AGM held on 29.09.09 | No. of Directorship in other Public Ltd Companies | No. of Committee Positions held in other Public Limited Companies |        |
|----------------------|------------------------|--|---|---------------------------------------|---|---|--------|
|                      |                        |  |   |                                       |   | Chairman  | Member |
| Mr. B. L. Swarnkar   | Non-Executive Chairman | 6  | 6   | Yes                                   | 4   | 4   | None   |
| Mr. Manoj Danwar     | Executive Director     | 6  | 6   | Yes                                   | Nil   | None  | None   |
| Mr. Sanjay Kr Danwar | Independent Director   | 6  | 4   | No                                    | Nil   | None  | None   |

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

|   |   |  |
|---|---|--|
| <b>Name of the Director</b>   | : | Baboo Lal Swarnkar   |
| <b>Date of Birth</b>  | : | 02/09/1943   |
| <b>Date of Appointment</b>  | : | 10/04/1998   |
| <b>Expertise in Specific Functional Area</b>                                      | : | Legal and taxation matters   |
| <b>Qualification</b>  | : | B.SC., LLB.  |
| <b>Other Public Companies in which Directorship held</b>                          | : | i) M/s. H M S Ltd.<br>ii) M/s. Wideangle Financial Services Ltd.<br>iii) M/s. Manish Developments Ltd.<br>iv) M/s. Jayanti Commercial Ltd. |
| <b>Other Public Companies in which membership of committees of Directors held</b> | : | Nil  |

**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 Sanjay Kumar Danwar 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 dates during the financial Year 2008-2009:

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| 31/07/2008 | 18/08/2008 | 31/10/2008 | 30/01/2009 | 31/03/2009 |
| 30/04/2008 |            |            |            |            |

**ATTENDANCE OF THE AUDIT COMMITTEE MEETING:**

| Name of the Director  | Number of Meeting Held | Number of Meeting Attended |
|-----------------------|------------------------|----------------------------|
| Mr. B. L. Swarnkar    | 6                      | 6                          |
| Mr. Manoj Danwar      | 6                      | 6                          |
| Mr. Sanjay Kr. Danwar | 6                      | 4                          |

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. Sanjay Kumar Danwar | Member   | Non Executive Director |
| Mr. Baboo Lal Swarnkar  | Member   | Non Executive Director |

Mr. Manoj Danwar acts as the compliance officer.

The committee met six times on the following dates during the financial year 2008-2009:

|            |            |            |            |          |            |
|------------|------------|------------|------------|----------|------------|
| 30/05/2008 | 14/06/2008 | 28/08/2008 | 15/09/2008 | 29/12/08 | 14/02/2009 |
|------------|------------|------------|------------|----------|------------|

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

The remuneration committee consists of 3 directors The committee recommends the remuneration packages to the Managing/Executive Directors, to the senior officers, employees etc.

i. Composition:

It comprises of Mr. Sanjay Kumar Danwar as Chairman of the committee and Mr. Manoj Danwar and Mr. Baboo Lal Swarnkar as members of the company.

ii. Meetings and attendance during the year:

Since there were no agenda requiring decision to fix remuneration of directors, no meetings were held during the year under review.

#### 6. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings are as under:

| Year      | Day, Date & Time  | Location  |
|-----------|---|---|
| 2005-2006 | Wednesday, 27 <sup>th</sup><br>September, 2006<br>11:00 A.M | HE-1, Ashirwad Complex,<br>Transport Nagar, Jaipur – 302 004. |
| 2006-2007 | Saturday, 29 <sup>th</sup><br>September, 2007<br>11:30 A.M  | HE-1, Ashirwad Complex,<br>Transport Nagar, Jaipur – 302 004. |
| 2007-2008 | Monday, 29 <sup>th</sup><br>September, 2008<br>11:30 A.M.   | HE-1, Ashirwad Complex,<br>Transport Nagar, Jaipur – 302 004. |

## 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 may 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 daily Newspaper and Hindi Newspaper.

Management discussions and analysis form part of the Annual report.

## 9. GENERAL SHAREHOLDER INFORMATION

|                            |   |
|----------------------------|---|
| Compliance Officer         | Mr. Manoj Danwar<br>AC-174, Salt Lake City, Kolkata – 700 064.  |
| Annual General Meeting     | Sixteenth   |
| Date and Time              | 29 <sup>th</sup> September, 2009, Tuesday, at 11.30 A.M.  |
| Venue                      | HE-1, Ashirwad Complex,<br>Transport Nagar, Jaipur – 302 001.   |
| Financial Calendar         | April – March   |
| Date of Book Closure       | 21 <sup>st</sup> September, 2009 to 29 <sup>th</sup> September, 2009 (both days incl.)  |
| Listing of Stock Exchanges | 3. The Stock Exchange, Mumbai.<br>4. The Calcutta Stock Exchange Association Ltd., Kolkata<br>5. The Jaipur Stock Exchange, Jaipur.<br>6. The Magadh Stock Exchange,<br>7. The Gauhati Stock Exchange, 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 31.03.2010.

| Category          | No. of Shareholder | Percentage      | No. of Shares  | Percentage      |
|-------------------|--------------------|-----------------|----------------|-----------------|
| 1) 1 to 500       | 6302               | 92.7174         | 845234         | 15.7288         |
| 2) 501 to 1000    | 205                | 3.0160          | 173500         | 3.2286          |
| 3) 1001 to 2000   | 103                | 1.5154          | 158297         | 2.9457          |
| 4) 2001 to 3000   | 55                 | 0.8092          | 138300         | 2.5736          |
| 5) 3001 to 4000   | 16                 | 0.2354          | 60100          | 1.1184          |
| 6) 4001 to 5000   | 29                 | 0.4267          | 137900         | 2.5662          |
| 7) 5001 to 10000  | 29                 | 0.4267          | 225370         | 4.1939          |
| 8) 10001 to above | 58                 | 0.8533          | 3635099        | 67.6449         |
| <b>Total</b>      | <b>6797</b>        | <b>100.0000</b> | <b>5373800</b> | <b>100.0000</b> |

## CATEGORY OF SHAREHOLDERS AS ON 31.03.2009.

| Category  | No. of Shares Held | Percentage of shareholding |
|---|--------------------|----------------------------|
| A. PROMOTER'S   | 1567099            | 29.1618                    |
| B. INSTITUTIONAL INVESTORS (FIIs/NRIs/OCBs)             | 397600             | 7.3989                     |
| C. INDIAN FINANCIAL INSTITUTIONS/BANKS/<br>MUTUAL FUNDS | --                 | --                         |
| D. PRIVATE BODIES CORPORATE                             | 1087670            | 20.2402                    |
| E. INDIVIDUALS  | 2321431            | 43.1991                    |
| <b>Grand Total</b>                                      | <b>5373800</b>     | <b>100.0000</b>            |

## MARKET PRICE

The trading in equity shares of the company has been suspended. The management is taking all necessary steps in order to revoke the suspension of trading in the equity shares of the company.

## **MARKET PRICE DATE**

As the trading in equity shares of the company suspended, the stock price data are not available

## **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

Place : JAIPUR  
DATED : 15/07/2009

Sd/  
(BABOOLAL SWARNKAR)  
Chairman

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## **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, 2009, 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,

Place : JAIPUR  
Dated : 15/07/2009

Sd/  
( RAKESH JHALANI )  
Partner  
Membership No. 74142

**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, 2009 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 : 15.07.2009

Manoj Danwar  
Director



# ***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 LTD.**

We have audited the attached Balance Sheet of **RAJASTHAN GASES LTD.**, as at 31.03.2009 and also the related Profit & Loss Account for the year ended on that date annexed thereto. These Financial statements are the responsibility of the 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 test basis evidence supporting the amount 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 (Auditor's Reports) order, 2004 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 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 purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

# ***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**

- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2009 and taken on records by the Board of Directors, we report that none of the director are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to that best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
- ii) In the case of the Profit & Loss Account, of the Profit for the period ended on that date.

For R. K. MALPANI & ASSOCIATES,  
Chartered Accountants,

Sd/

Place : JAIPUR  
Dated : 15/07/2009

(RAKESH JHALANI)  
Partner  
Membership No. 74142

## ANNEXURE

Referred to in paragraph 1 of the Auditors Report of **M/s. RAJASTHAN GASES LIMITED, JAIPUR** on the accounts for the year ended on 31<sup>st</sup> March, 2009.

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed Assets have been physically verified by the management during the year and no discrepancies have been noticed on such verification as compared to the book records. No substantial part of the Fixed assets have been disposed off during the year.
2. Physical verification of inventory has been conducted at reasonable intervals by the management. The procedure of physical verification of inventory followed by the management was reasonable and adequate in relation to the size of the company and nature of its business. The company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
3. The company has neither granted nor taken any loan to / from Companies, Firms or Other Parties covered in the register maintained U/s 301 of the Act.
4. Internal Control procedure is adequate commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There was no continuing failure to correct major weaknesses in internal control.
5. The transactions that need to be entered into register in pursuance of section 301 of the Act have been so entered. Transactions exceeding the value of Rs 5 Lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public.
7. The company has internal audits system in commensurate with its size and nature of its business.
8. The Central Government has not prescribed for maintenance of cost records U/S 209 (1) (d) of the Companies Act, 1956 for products of the company.
9. The company is regular in depositing undisputed statutory dues with the appropriate authorities.
10. The company has accumulated losses at the end of financial year more than 50% of its net worth. The company has incurred cash loss in the financial year 2008-2009 but incurred cash loss in immediately preceding financial year.

11. The company has not defaulted in repayment of interest dues to financial institution and banks.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute like chit fund/nidhi/mutual benefit fund / societies are not applicable to the company.
14. The company was not dealing in or trading in shares, securities, debentures and other investments. The company does not have any investment in Shares, Securities, Debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has no Terms Loans.
17. The funds raised on short term basis have not been used for long term investments or vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. No securities have been created in respect of debentures issued.
20. No money was raised by public issue during the year.
21. No fraud on or by the company has been noticed or reported during the year.

For R. K. MALPANI & ASSOCIATES,  
Chartered Accountants,

Place : JAIPUR  
Dated : 15/07/2009

Sd/  
(RAKESH JHALANI)  
Partner  
Membership No. 74142

| <b>RAJASTHAN GASES LIMITED</b>   |             |             |                             |             |                             |
|--|-------------|-------------|-----------------------------|-------------|-----------------------------|
| <b>BALANCE SHEET AS AT 31ST MARCH, 2009</b>                              |             |             |                             |             |                             |
| <b>PARTICULARS</b>   | <b>SCH.</b> |             | <b>AS AT<br/>31.03.2009</b> |             | <b>AS AT<br/>31.03.2008</b> |
| <b><u>SOURCES OF FUNDS</u></b>   |             |             |                             |             |                             |
| <u>Shareholder's Funds</u>   |             |             |                             |             |                             |
| (a) Share Capital  | I           | 53738000.00 |                             | 53738000.00 |                             |
| (b) Reserves & Surplus   |             | 0.00        |                             | 0.00        |                             |
|  |             |             | 53738000.00                 |             | 53738000.00                 |
| <b><u>LOAN FUNDS</u></b>   |             |             |                             |             |                             |
| (a) Secured Loans  |             | 0.00        |                             | 0.00        |                             |
| (b) Unsecured Loans  |             | 0.00        | 0.00                        | 0.00        | 0.00                        |
| Deferred Tax Liabilities   |             |             | 0.00                        |             | 0.00                        |
|  |             |             | 53738000.00                 |             | 53738000.00                 |
| <b><u>APPLICATION OF FUNDS</u></b>                                       |             |             |                             |             |                             |
| <u>Fixed Assets</u>  |             |             |                             |             |                             |
| Gross Block  | II          | 48305341.44 |                             | 48305341.44 |                             |
| Less: Depreciation   |             | 32076164.44 |                             | 32076164.44 |                             |
| Net Block  |             |             | 16229177.00                 |             | 16229177.00                 |
| Investment   |             |             | 0.00                        |             | 0.00                        |
| <b><u>Current Assets, Loans &amp; Advances</u></b>                       |             |             |                             |             |                             |
| Inventories  | III         | 337000.00   |                             | 337000.00   |                             |
| Sundry Debtors   | IV          | 20495709.14 |                             | 20495709.14 |                             |
| Cash & Bank Balances   | V           | 121083.58   |                             | 198989.58   |                             |
| Loans & Advances   | VI          | 23427006.28 |                             | 23427006.28 |                             |
|  |             |             | 44380799.00                 | 44458705.00 |                             |
| <u>Less: Current Liabilities and Provisions</u>                          |             |             |                             |             |                             |
| Current Liabilities  | VII         | 37621450.25 |                             | 37698021.95 |                             |
| Net Current Assets   |             |             | 6759348.75                  |             | 6760683.05                  |
| Miscellaneous Expenditure<br>(to the extent not written off or adjusted) | VIII        |             | 0.00                        |             | 0.00                        |
| PROFIT AND LOSS A/C  |             |             | 30749474.25                 |             | 30748139.95                 |
| Significant Accounting Policies &<br>Notes on Accounts                   | XIV         |             | 53738000.00                 |             | 53738000.00                 |

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

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

Baboo Lal Swarnkar  
Director

(Manoj Danwar)  
Director

(Rakesh Jhalani)  
Partner  
Membership No. 74142

Place : Jaipur  
Dated : 15.07.2009

| <b>RAJASTHAN GASES LIMITED</b>                                       |             |           |                             |           |                             |
|--|-------------|-----------|-----------------------------|-----------|-----------------------------|
| <b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009</b> |             |           |                             |           |                             |
| <b>PARTICULARS</b>   | <b>SCH.</b> |           | <b>AS AT<br/>31.03.2009</b> |           | <b>AS AT<br/>31.03.2008</b> |
| <b><u>INCOME</u></b>   |             |           |                             |           |                             |
| Income from Operation  | X           | 172446.70 |                             | 189234.33 |                             |
| Total  |             |           | 172446.70                   |           | 189234.33                   |
| <b><u>EXPENDITURE</u></b>  |             |           |                             |           |                             |
| Operating Expenses   | XI          | 0.00      |                             | 0.00      |                             |
| Administrative Expenses  | XII         | 173781.00 |                             | 244385.00 |                             |
| Financial Charges  | XIII        | 0.00      |                             | 0.00      |                             |
| Miscellaneous Expenses Written off                                   | VIII        | 0.00      |                             | 0.00      |                             |
| Depreciation   | II          | 0.00      |                             | 0.00      |                             |
|  |             |           | 173781.00                   |           | 244385.00                   |
|  |             |           | 173781.00                   |           | 244385.00                   |
| Profit/(Loss) before Depreciation & Tax                              |             |           | -1334.30                    |           | -55150.67                   |
| Less : Depreciation  |             |           | 0.00                        |           | 0.00                        |
| Profit before Tax  |             |           | (1334.30)                   |           | (55150.67)                  |
| Less : Provision for Taxation  |             |           | 0.00                        |           | 0.00                        |
| Less : Provision for FBT   |             |           | 0.00                        |           | 0.00                        |
| Profit after Tax   |             |           | (1334.30)                   |           | (55150.67)                  |
| Add/Less : Deferred Tax Assets/ (Liab.)                              |             |           | 0.00                        |           | 0.00                        |
| Profit after Deferred Tax  |             |           | (1334.30)                   |           | (55150.67)                  |
| Balance Brought forward from last year                               |             |           | -30748139.95                |           | (30692989.28)               |
| Profit available for Appropriation                                   |             |           | (30749474.25)               |           | (30748139.95)               |
| Significant Accounting Policies & Notes on Accounts                  | XIV         |           |                             |           |                             |

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

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

Baboo Lal Swarnkar  
Director

(Manoj Danwar)  
Director

(Rakesh Jhalani)  
Partner  
Membership No. 74142

Place : Jaipur  
Dated : 15.07.2009

**RAJASTHAN GASES LIMITED**

| <b>SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 09</b> |  |  |
|--|--|--|
| <b>Particulars</b>   | <b>As At<br/>31.03.2009<br/>Amount in Rs</b> | <b>As At<br/>31.03.2008<br/>Amount in Rs</b> |
| <b><u>SCHEDULE- I</u></b>  |  |  |
| <b><u>SHARE CAPITAL</u></b>  |  |  |
| <b><u>AUTHORISED</u></b>   |  |  |
| 6000000 Equity Shares of Rs. 10/- each   | 60000000.00                                  | 60000000.00                                  |
| <b><u>Issued, Subscribed and Paid-Up</u></b>                                       |  |  |
| 5373800 Equity Shares of Rs. 10/- each<br>fully paid up                            | 53738000.00                                  | 53738000.00                                  |
|  | <b>53738000.00</b>                           | <b>53738000.00</b>                           |
| <b><u>SCHEDULE- III</u></b>  |  |  |
| <b><u>INVENTORIES</u></b>  |  |  |
| (As valued & certified by the Management)  |  |  |
| Liquified Petroleum Gas (At Cost)  | 337000.00                                    | 337000.00                                    |
|  | <b>337000.00</b>                             | <b>337000.00</b>                             |
| <b><u>SCHEDULE- IV</u></b>   |  |  |
| <b><u>SUNDRY DEBTORS</u></b>   |  |  |
| (Unsecured & Considered Good unless otherwise stated)                              |  |  |
| Debts outstanding for a period exceeding 6 months                                  |  |  |
| Others Debtors   | 20495709.14                                  | 20495709.14                                  |
|  | <b>20495709.14</b>                           | <b>20495709.14</b>                           |
| <b><u>SCHEDULES - V</u></b>  |  |  |
| <b><u>CASH AND BANK BALANCES</u></b>   |  |  |
| Cash in Hand   | 96063.15                                     | 172473.15                                    |
| Balance with Scheduled Banks in Current A/c  | 25020.43                                     | 26516.43                                     |
|  | <b>121083.58</b>                             | <b>198989.58</b>                             |
| <b><u>SCHEDULES - VI</u></b>   |  |  |
| <b><u>LOANS &amp; ADVANCES</u></b>   |  |  |
| (Unsecured & Considered good unless otherwise stated)                              |  |  |
| Advance against Capital Goods  | 8175167.18                                   | 8175167.18                                   |
| Other Loans & Advances   | 2888704.91                                   | 2888704.91                                   |
| Security Deposits  | 433507.00                                    | 433507.00                                    |
| Advance recoverable in Cash or Kind for which value<br>is still to be received     | 7418446.52                                   | 7418446.52                                   |
| Share Application Money  | 2700000.00                                   | 2700000.00                                   |
| Advance Income Tax & TDS   | 1811180.67                                   | 1811180.67                                   |
|  | <b>23427006.28</b>                           | <b>23427006.28</b>                           |

**RAJASTHAN GASES LIMITED**  
**SCHEDULE OF FIXED ASSETS AS AT 31.03.09 AND DEPRECIATION THEREON FOR THE YEAR 31.03.2009 AS PER SCHEDULE XIV OF THE COMPANIES ACT, 1956**

| P A R T I C U L A R S        | G R O S S B L O C K |          |           | D E P R E C I A T I O N |                    | N E T B L O C K    |                    |
|------------------------------|---------------------|----------|-----------|-------------------------|--------------------|--------------------|--------------------|
|                              | As On<br>01.04.08   | Addition | Deduction | As on<br>31.03.09       | As at<br>31.03.09  | As On<br>31.03.09  | As On<br>31.03.08  |
| Land                         | 712031.00           | -        | -         | 712031.00               | -                  | 712031.00          | 712031.00          |
| Building                     | 7073898.00          | -        | -         | 7073898.00              | 1402920.00         | 5670978.00         | 5670978.00         |
| Plant & Machinery            | 11262428.00         | -        | -         | 11262428.00             | 2520840.00         | 8741588.00         | 8741588.00         |
| Cylinders and Regulators     | 10694891.00         | -        | -         | 10694891.00             | 10411381.00        | 283510.00          | 283510.00          |
| Furnitures & Fixtures        | 1393582.00          | -        | -         | 1393582.00              | 673302.00          | 720280.00          | 720280.00          |
| Office Equipments            | 555602.00           | -        | -         | 555602.00               | 456437.00          | 99165.00           | 99165.00           |
| Misc. Fixed Assets           | 3314.00             | -        | -         | 3314.00                 | 1689.00            | 1625.00            | 1625.00            |
| Vehicles                     | 16609595.44         | -        | -         | 16609595.44             | 16609595.44        | -                  | -                  |
| <b>Total</b>                 | <b>48305341.44</b>  | <b>-</b> | <b>-</b>  | <b>48305341.44</b>      | <b>32076164.44</b> | <b>16229177.00</b> | <b>16229177.00</b> |
| <b>Previous Year Figures</b> | <b>48305341.44</b>  | <b>-</b> | <b>-</b>  | <b>48305341.44</b>      | <b>32076164.44</b> | <b>16229177.00</b> | <b>16229177.00</b> |



**RAJASTHAN GASES LIMITED**

| <b>SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 09</b> |  |  |
|--|--|--|
|  | <b>As At<br/>31.03.2009<br/>Amount in Rs</b> | <b>As At<br/>31.03.2008<br/>Amount in Rs</b> |
| <b><u>SCHEDULE- VII</u></b>  |  |  |
| <b><u>CURRENT LIABILITIES &amp; PROVISION</u></b>                                  |  |  |
| Sundry Creditors for Capital Goods (Other than SSI)                                | 405169.00                                    | 405169.00                                    |
| Sundry Creditors for Expenses & Raw Material                                       | 1043834.46                                   | 1144682.46                                   |
| Dealers Security & Cyliner Security  | 6702764.05                                   | 6702764.05                                   |
| Cyliner Advance from Dealers   | 4778100.00                                   | 4778100.00                                   |
| Others Liabilities   | 14911720.04                                  | 14957443.74                                  |
| Sundry Creditors for Hire  | 8333862.70                                   | 8333862.70                                   |
| Othes Advances   | 1446000.00                                   | 1376000.00                                   |
|  | <b>37621450.25</b>                           | <b>37698021.95</b>                           |
| <b><u>SCHEDULE- VIII</u></b>   |  |  |
| <b><u>MISCELLANEOUS EXPENDITURE</u></b>  |  |  |
| (to the extent not written off)  |  |  |
| Preliminary Expenses   | 0.00   | 0.00   |
| Less: Written off during the year  | 0.00   | 0.00   |
|  | <b>0.00</b>                                  | <b>0.00</b>                                  |
| <b><u>SCHEDULE- IX</u></b>   |  |  |
| <b><u>PROFIT &amp; LOSS ACCOUNT</u></b>  |  |  |
| Opening Balance  | -30748139.95                                 | -30692989.28                                 |
| Add:- (Proift)/Deficit in Profit and Loss Account during the year                  | -1334.30                                     | -55150.67                                    |
|  | <b>-30749474.25</b>                          | <b>-30748139.95</b>                          |
| <b><u>SCHEDULE- X</u></b>  |  |  |
| <b><u>OTHER INCOME</u></b>   |  |  |
| Unspent Liabilities Written off  | 172446.70                                    | 189234.33                                    |
|  | <b>172446.70</b>                             | <b>189234.33</b>                             |
| <b><u>SCHEDULE- XI</u></b>   |  |  |
| <b><u>OPERATING EXPENSES</u></b>   |  |  |
| Opening Stock  | 0.00   | 337000.00                                    |
| Add:- Purchase during the year   | 0.00   | 0.00   |
|  | 0.00   | 337000.00                                    |
| Less:- Closing Stock   | 0.00   | 337000.00                                    |
|  | 0.00   | 0.00   |
| Truck Hire Charges, Trip and Others Expenses                                       | 0.00   | 0.00   |
| Loss in Transit  | 0.00   | 0.00   |
|  | <b>0.00</b>                                  | <b>0.00</b>                                  |

**RAJASTHAN GASES LIMITED**

| <b>SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 09</b> |  |  |
|--|--|--|
|  | <b>As At<br/>31.03.2009<br/>Amount in Rs</b> | <b>As At<br/>31.03.2008<br/>Amount in Rs</b> |
| <b>SCHEDULE- XII</b>   |  |  |
| <b>ADMINISTRATIVE EXPENSES</b>   |  |  |
| Filing Fees  | 4000.00                                      | 14000.00                                     |
| Postage and Telegram   | 36120.00                                     | 34185.00                                     |
| Printing and Stationery  | 30585.00                                     | 29340.00                                     |
| Registrar's Charges  | 44944.00                                     | 67038.00                                     |
| Travelling & Conveyance Exp.   | 14602.00                                     | 0.00   |
| Audit Fees   | 8273.00                                      | 0.00   |
| Certification Charges  | 3000.00                                      | 0.00   |
| Depository Service Charges   | 22472.00                                     | 0.00   |
| General Exp.   | 9785.00                                      | 0.00   |
| Auditors Remuneration  | 0.00   | 12360.00                                     |
| Demat Service Charges  | 0.00   | 60610.00                                     |
| Insurance  | 0.00   | 5277.00                                      |
| Legal & Professional Charges   | 0.00   | 13250.00                                     |
| Miscellaneous Expenses   | 0.00   | 8325.00                                      |
|  | <b>173781.00</b>                             | <b>244385.00</b>                             |
| <b>SCHEDULE- XIII</b>  |  |  |
| <b>FINANCIAL EXPENSES</b>  |  |  |
| Bank Charges & Commission  | 0.00   | 0.00   |
|  | <b>0.00</b>                                  | <b>0.00</b>                                  |

**RAJASTHAN GASES LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET  
AS AT 31ST MARCH, 09**

|  | <b>As At<br/>31.03.2009<br/>Amount in Rs</b> |
|--|--|
| <b>SCHEDULE- XII</b>                               |  |
| <b>Balance with Scheduled Banks in Current A/c</b> |  |
| ABN Amro Bank                                      | 7063.62                                      |
| Oriental Bank of Commerce (GTB)                    | 15921.25                                     |
| State Bank of Travancore                           | 2035.56                                      |
|  | <b>25020.43</b>                              |

## **RAJASTHAN GASES LIMITED**

Regd. Office : HE -1 , Ashirwad Complex, Transport Nagar, Jaipur.

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies:

- a. The company generally follows mercantile system of Accounting recognizing both Income & Expenditure on accrual basis.
- b. The accounts are prepared on historical cost basis and as a going concern, accounting policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.
- c. Fixed Assets:  
Fixed Assets are carried at cost of acquisition less accumulated depreciation.
- d. Depreciation:  
Depreciation has been provided on Straight Line Method as per rates prescribed in Schedule XIV of Companies Act, 1956. Since there was no business activity during the year, no depreciation has been provided on fixed assets for the year.
- (e) Valuation of stock:  
Raw Material: At Cost  
According to the Management perception, the valuation of stock is fair and proper.

2. Previous year figures have been regrouped and rearranged wherever necessary.
3. There was no employee of the company during the year drawing remuneration @ Rs. 2400000/- P.A. or more if employed for whole of the year, or Rs. 200000/- P. M. more if employed for part of the year.
4. Auditors remuneration is paid on account of Audit fees only.
5. Sundry Creditors does not include any due to Small Scale Industrial Undertaking.
6. Balance of Sundry Debtors, Sundry Creditors, Loans & Advances and other Liabilities are subject to confirmation.

7. Managerial Remuneration;  
Managerial Remuneration under section 198 of the Companies Act, 1956 include remuneration and perquisites paid to Whole Time Director and Managing Director of the Company:

|            | 2008-09 | 2007-08 |
|------------|---------|---------|
| (a) Salary | NIL     | NIL     |

8. Computation of the Net Profit in accordance with the Companies Act, 1956 has not been given as commission by way of percentage of profit has not been paid for the year to any of the directors of the Company including Whole Time Director due to net loss incurred during the year.

9. Additional information pursuant to the provisions 3 and 4 of part II of Schedule-VI of the Companies Act, 1956 are as under:

|               | (kg) |
|---------------|------|
| Raw Material  | Nil  |
| Opening Stock | Nil  |
| Purchase      | Nil  |
| Consumption   | Nil  |
| Sales         | Nil  |
| Shortage      | Nil  |
| Closing stock | Nil  |

10. Since there is no virtual certainty of earning profit by the company in the near future, no deferred tax assets has been created in terms of AS –22 of the ICAI.

11. Details as required by Accounting Standards issued by ICAI are enclosed herewith in Annexure-I.

12. Foreign Exchange Earning : Nil  
Foreign Exchange outgo : Nil  
(Incurred for Foreign Travel)

FOR RAJASTHAN GASES LIMITED

Sd/

(BABOO LAL SWARNKAR)  
Director

Sd/

(MANOJ DANWAR)  
Director

PLACE: JAIPUR  
DATED: 15/07/2009

In terms of our audit  
report of even date attached  
FOR R. K. MALPANI & ASSOCIATES,  
Chartered Accountants,

Sd/

(RAKESH JHALANI)  
Partner  
Membership No. 74142

## RAJASTHAN GASES LIMITED

Regd. Office : HE -1 , Ashirwad Complex, Transport Nagar, Jaipur

### Annexure – I to Notes on Accounts

1. Accounting Standard AS-15 is not applicable to this company for this year.
2. Since there is only one segment, Segment Reporting as required under Accounting Standard AS 17 is not applicable to this company;

**3. Related Party Disclosures:**

Related party disclosures as required under Accounting Standard AS-18 on “Related Party Disclosures” issued by Institute of Chartered Accountants of India are given below:

**Related party**

|                          |   |   |
|--------------------------|---|---|
| Associate Companies      | - | Babul Fiscal Services Pvt. Ltd.<br>Shree Chamunda Agro Tech Pvt. Ltd.<br>Baid Road Carriers Pvt. Ltd.<br>Sonar Sansar Jewellers Pvt. Ltd.<br>Trust Infocomm Pvt. Ltd. |
| Key Managerial Personnel | - | B. L. Swarnkar, Chairman<br>Manoj Danwar, Director<br>Sanjay Kr. Danwar, Director   |

**Transactions with Related Party**

|                           |   |     |           |
|---------------------------|---|-----|-----------|
| Advance Taken             | - | Rs. | 70,000.00 |
| Reimbursement of Expenses | - | Rs. | 14,602.00 |

**4. Earnings per Share:**

EPS is calculated in accordance with Accounting Standard AS-20 issued by The Institute of Chartered Accountants of India (ICAI). It has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Values used in calculating Earning per share (EPS):

|                                      | <u>31.03.2009</u> | <u>31.03.2008</u> |
|--------------------------------------|-------------------|-------------------|
| a) Numerator: Profit after Tax (Rs.) | (1334.30)         | (55150.67)        |
| b) Denominator: No. of Equity Shares | 5373800           | 5373800           |
| C) Basic earning per share           | (0.00)            | (0.01)            |

5. On the basis of information available, there are no outstanding dues to SSI Undertakings. As the company does not have any information as to which of its creditors are registered under the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

**RAJASTHAN GASES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2009**

*Pursuant to Clause 32 of the listing agreement(s)(As amended)*

| <b>Particulars</b>   | <b>31.03.2009<br/>Rs.</b> | <b>31.03.2008<br/>Rs.</b> |
|--|---------------------------|---------------------------|
| <b>A.Cash flow from operating activities:</b>                  |                           |                           |
| Net profit before tax & Extra-ordinary items.                  | <b>(1,334.30)</b>         | <b>(55,150.67)</b>        |
| <b>Adjustments For:</b>  |                           |                           |
| Depreciation   | -                         | -                         |
| <b>Operating Profit before Working Cap.Changes</b>             | <b>(1,334.30)</b>         | <b>(55,150.67)</b>        |
| (Increase)/Decrease in Inventories                             | -                         | -                         |
| (Increase)/Decrease in Debtors                                 | -                         | -                         |
| (Increase)/Decrease in Loans & Advances                        | -                         | 426,757.00                |
| Increase/(Decre.)in Creditors & other liab.                    | <b>(76,571.70)</b>        | <b>(365,048.33)</b>       |
| <b>Cash Generated from operations:</b>                         | <b>(77,906.00)</b>        | <b>6,558.00</b>           |
| Income Tax   | -                         | -                         |
| Cash flow before Extra-Ordinary items                          | -                         | -                         |
| Prior period adjustments (net)                                 | -                         | -                         |
|  | -                         | -                         |
| <b>Net Cash Flow from Operating activities</b>                 | <b>(77,906.00)</b>        | <b>6,558.00</b>           |
| <b>B.Cash Flow from Investing Activities:</b>                  |                           |                           |
| Sale of Fixed Assets   | -                         | -                         |
| Purchase of Fixed Assets                                       | -                         | -                         |
| Purchase/Sale of Investments(Net)                              | -                         | -                         |
| Dividend Income  | -                         | -                         |
| <b>Net cash used in Investing Activities</b>                   | <b>-</b>                  | <b>-</b>                  |
| <b>C.Cash Flow from Financing Activities</b>                   |                           |                           |
| Proceeds from issue of Share Capital                           | -                         | -                         |
| Dividend Income  | -                         | -                         |
| Increase /(Decrease )in borrowings                             | -                         | -                         |
| <b>Net Cash realised from financing activities</b>             | <b>-</b>                  | <b>-</b>                  |
| <b>Net Incre./(decre.)in cash &amp; cash equivalent(A+B+C)</b> | <b>(77,906.00)</b>        | <b>6,558.00</b>           |
| <b>Opening Cash &amp; Cash Equivalent</b>                      | <b>198,989.58</b>         | <b>192,431.58</b>         |
| <b>Closing Cash &amp; Cash Equivalent</b>                      | <b>121,083.58</b>         | <b>198,989.58</b>         |

*\*\* 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

**For and on behalf of th Board of Directors**

**RAJASTHAN GASES LIMITED**

**Rakesh Jhalani**

Partner

Membership No. 74142

**Baboo Lal Swarnkar**

Director

**(Manoj Danwar)**

Director

Place : Jaipur

Dated : 15.07.2009

## RAJASTHAN GASES LIMITED

Regd. Office: HE –1, Ashirwad Complex, Transport Nagar, Jaipur.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

|                      |   |   |
|----------------------|---|---|
| Registration Details | :   | State Code 17                                     |
| Registration No.     | :   | 17- 07646   |
| Balance Sheet Date   | :   | 31 03 2009  |
|                      |   | Date Month Year                                   |
| ii.                  | Capital raised during the year (Amount in Rs. Thousands)                              |   |
|                      | Public Issue  | Right Issue                                       |
|                      | NIL   | NIL   |
|                      | Bonus Issue   | Private Placement                                 |
|                      | NIL   | NIL   |
| iii.                 | Position of mobilization and deployment of Funds (Amount in Rs. Thousands)            |   |
|                      | Total Liabilities   | Total Assets                                      |
|                      | 53738.00  | 53738.00  |
|                      | Sources of Funds  |   |
|                      | Paid up Capital   | Reserves & Surplus                                |
|                      | 53738.00  | NIL   |
|                      | Secured Loans   | Unsecured Loans                                   |
|                      | NIL   | NIL   |
|                      | Application of Funds  |   |
|                      | Net Fixed Assets  | Investments                                       |
|                      | 16229.17  | NIL   |
|                      | Net Current Assets  | Misc. Expenditure                                 |
|                      | 6759.34   | NIL   |
|                      | Accumulated Losses  |   |
|                      | 30749.47  |   |
| iv.                  | Performance of Company (Amount in Rs. Thousands)                                      |   |
|                      | Turnover/Other Income   | Total Expenditure                                 |
|                      | 172.44  | 173.78  |
|                      | Profit (Loss) before tax  | Profit after tax                                  |
|                      | (1.33)  | (1.33)  |
|                      | Earning per share   | Dividend  |
|                      | NIL   | NIL   |
| v.                   | Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms) |   |
|                      | ITC Code No.  | :   |
|                      | Product Description:  | LPG Bottling & Parallel Marketing, Transportation |
|                      | Turnover also includes amount of other income.  |   |

On behalf of the Board  
For RAJASTHAN GASES LIMITED

PLACE : JAIPUR  
DATED : 15/07/2009

Sd/  
(BABOO LAL SWARNKAR) Director

Sd/  
(MANOJ DANWAR) Director

## BOOK-POST

To,

*If Undelivered please return to :*  
**RAJASTHAN GASES LIMITED**  
HE-1, Ashirwad Complex,  
Transport Nagar, Jaipur.