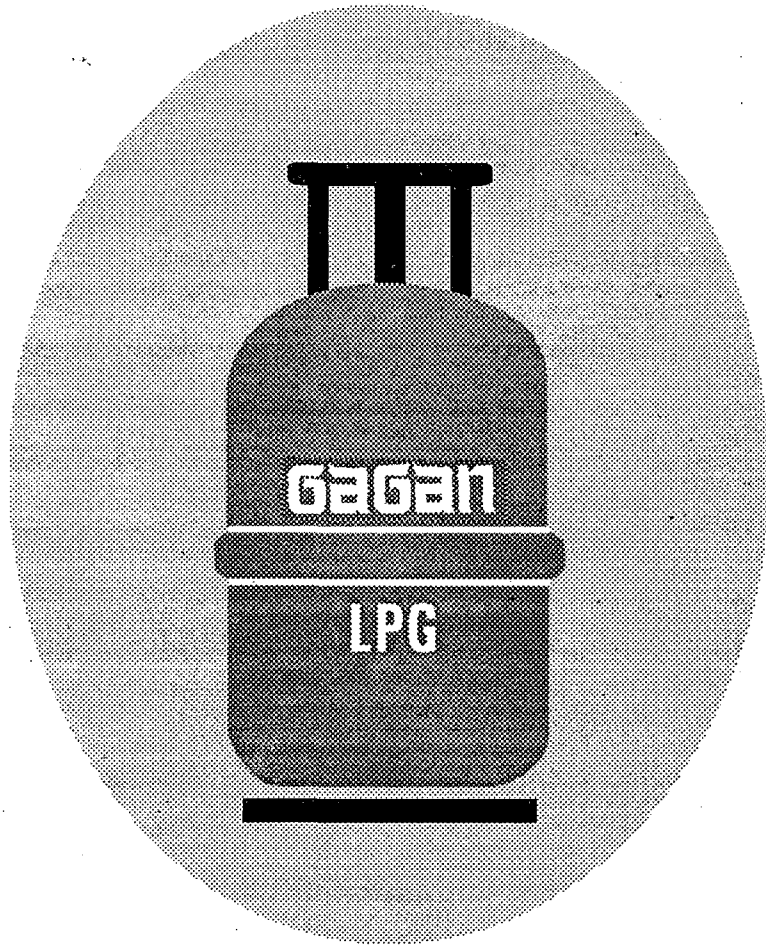


ANNUAL REPORT 2008-2009



GAGAN
GASES LIMITED

Registered Office :
602, Sector III, Pithampur Distt. Dhar (M.P.) 454774
Tel. : 07292-400266

GAGAN GASES LTD. REGD OFFICE :602 SECTOR 3 PITHAMPUR DISTT DHAR

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Gagan Gases Limited will be held on Wednesday, 30th September 09 at 10 AM at the Registered Office of the Company at 602, Sector 3, Pithampur, Distt. Dhar to transact the following business :

ORDINARY BUSINESS

1. To consider, approve and adopt Audited Profit & Loss Account for the year ended 31st March, 2009 and Balance Sheet as on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri R.L.Chhabra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri Gagan Maheshwary who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS.

4. To appoint statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.
" Resolved that M/s Dalip K Neema & Associates Chartered Accountants be and are hereby appointed as Statutory Auditors of the company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company on such remuneration as may be fixed by the Board of Directors."

NOTES

1. A member entitled to attend and vote at the annual general meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company not less than forty eight hours before the time fixed for the meeting.
2. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
3. Members are also requested to notify the share transfer agent M/s Link Intime India Pvt Limited C-13 Panna Lal Silk Mill Compound, LBS Marg, Bhandup West, Mumbai 400078 about the change of address, if any, and also intimate about the correction, if any, in name, address, pin code
4. The register of the members of the company will remain closed from Tuesday the 22nd September 09 to Wednesday the 30th September 09 (both days inclusive).

Explanatory statement

ITEM NO 4: The company has received a proposal from a share holder u/s 225 read with section 190 of the Companies Act 1956 for the appointment of M/s Dalip K Neema & Associates as statutory auditors of the company in the annual general meeting. The same is being submitted for the consideration and the decision of the members. The present auditors M/s ABN & CO shall complete their tenure on the conclusion of the ensuring annual general meeting. The proposed resolution shall be moved as an ordinary resolution. The Board recommends passing of the proposed resolution. None of the Directors of the company is interested in the resolution.

By Order of the Board of Directors

Place : Indore
Dated : 11-8-09

K.R. Maheshwary
Managing Director

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting the 23rd Annual Report together with audited accounts for the year ended on 31st March, 2009

FINANCIAL RESULTS	(Rs in lacs) 2008-09	(Rs. in lacs) 2007-08
Income from operation	323	365
Other income	4	3
Profit / (Loss) before interest, depreciation and tax	14	23
Less : Interest	0	2
Depreciation	17	18
Taxation	--	--
Profit/ (Loss) during the year	(3)	3

OPERATIONS

The company has earned net loss of Rs 3 lacs against net profit of Rs.3 lac during previous year. Since Govt. Oil Companies are still supplying LPG at subsidised rates, the company could not compete in selling LPG to the consumers. It is because of such adverse circumstances, the business of the company is very much affected.

New activity of marketing of Mobil/Esso lubricants in the state of M.P was started in Feb 06. The total lubricant sale amounted to Rs. 278 lac (273 lac).

DIVIDEND

In view of the brought forward losses, the Board of Directors regret to recommend any dividend for the year 2008-2009.

DIRECTOR

Shri R.L.Chhabra director is retiring by rotation at the ensuring Annual General Meeting and being eligible offer himself for re-appointment. The Board of Directors recommend his re-appointment as director. Shri R.L.Chhabra is associated with the company as director for the last more than 20 years

Shri Gagan Maheshwary director is retiring by rotation at the ensuring Annual General Meeting, and being eligible offer himself for re-appointment. The Board of Directors recommend his re-appointment as director. Shri Gagan Maheshwary is associated with the company as a whole time director for the last more than 12 years

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Directors indicate that they have taken reasonable and bonafide care that :

1. In preparation of the annual accounts, the applicable accounting standards have been followed, and in case of any deviation, necessary explanation has been given and incorporated in director's report to the members.
2. The directors have selected such accounting policies and applied them consistently and made judgements 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 and of the profits of the Company for that period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Directors have prepared the Annual Accounts on a "going concern" basis.

CORPORATE GOVERNANCE

The company has ensured that the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on corporate governance is annexed.

The Corporate Governance Compliance Certificate obtained from M/s. ABN & Co Chartered Accountants, the Statutory Auditors of the Company is also attached to the report.

PUBLIC DEPOSITS :

The company did not accept any deposit from the public during the

year as such there is no unpaid or unclaimed deposit with the company.

AUDITORS

The company has received a proposal from a share holder u/s 225 read with section 190 of the Companies Act 1956 for the appointment of M/s Dalip K Neema & Associates as statutory auditors of the company in place of M/s ABN & CO Chartered Accountants who are retiring at the forthcoming annual general meeting. The Board recommends appointment of M/s Daleep K Neema & Associate, Chartered Accountants as Statutory Auditors of the Company.

AUDITORS' REPORT, ACCOUNTING STANDARDS AND POLICIES.

The Audit Committee and the Board of Directors have considered and approved the accounting policy. Deviation if any from the applicable Accounting Standards in the preparation of the Annual Statement, necessary observations/ explanation of the Board are given. A sum of Rs 52214 and Rs 107615 payable to MP Commercial Deptt is pending for rectification/adjustment.

The accumulated losses as on 31.3.09 are Rs 3,05,82,463 lacs which are more than 50 % Of the capital of Rs 452 lacs. The accumulated losses are on account of losses incurred in LPG business. To cover up these losses the company has started trading activities.

PERSONAL RELATIONS

Your company continues to enjoy cordial relations with its employees.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO

- Conservation of energy**
Because of limited use of electricity, no additional step was taken for the conservation of energy.
- Technology absorption, adoption & innovation:**
For the company's existing product line there is no technical collaboration, either indigenous or imported. No new technology was absorbed or adopted during the year.
- Foreign exchange earning and outgo:**
There is no foreign exchange earning or out go during the year.

PARTICULARS OF EMPLOYEE

No person in the employment of the company was in receipt of remuneration which attracted provisions of Section 217 (2A) and Companies (particulars of employee) Rule, 1975.

For and behalf of the Board of Directors

Place : Indore

Dated: 30-6-09

K.R.Maheshwary
Chairman

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS

Management's discussion & analysis report

1. Industry Structure and development.

The company's main business is that of LPG marketing after bottling into cylinders and trading of lubricants. LPG business is in the hands of Govt. owned oil companies who are placed at advantageous position because of sale at a subsidised price.

2. Opportunities & Threats

LPG being a consumable item, vast opportunities exist for the development of business. Still a huge amount of subsidy is given on the sale of LPG by Govt. to public sector oil companies resulting into a direct threat to the business of LPG bottling plants in private sector. The Govt. was committed to abolish subsidy on LPG upto March 05 in a phased manner but the period has been extended. The sale prices of LPG and kerosine are controlled by the Govt. of India and govt. owned oil companies are not being allowed to increase rate to keep in line with the increase in prices of crude oil in the international market and oil companies are suffering huge losses on sale of LPG. This policy of the Govt. is a threat towards the business opportunities of LPG Bottling Plants in private sector.

Regarding new business activity of marketing of lubricants as distributors of ExxonMobil, the company is hopeful of generating business in years to come. The products of ExxonMobil are sold under the brand MOBIL. In view of the industrial growth, the demand for quality products will grow which will help the company to increase its sales. The major threat in the line of business is the number of companies including government owned oil companies marketing lubricants and the company will face competition from other manufactures of lubricants.

3. Outlook

Private sector LPG bottling plants are facing stiff competition from Govt. oil companies who sell LPG at subsidised and Govt. controlled rates. Since Govt owned oil companies sell at a cheaper rate, people have tendency to take new connection and refilling from them. Once subsidy is abolished, then only the volume of business of the company will increase.

The future of LPG bottling plants is linked with Govt. policies. It is only when subsidy is completely abolished, and Govt. control over sale rate of LPG by public sector oil companies is lifted, the LPG bottling plants in private sector can look for a bright future. Until that time, it is not possible to forecast any bright prospects. Govt. has its own political compulsions to take decision for abolishing subsidy and allow the govt. owned oil companies to fix prices in line with international rates.

4. Risk & Concerns

Govt. decision to continue price control and allowing subsidy on LPG to Govt. owned oil companies and fluctuations in prices of petroleum products in international market are matters of great risk and concern to the company.

1. CORPORATE GOVERNANCE PHILOSOPHY

Your company believes that good corporate governance measures and the disclosure of the same to the investors will besides improving the organizational efficiency, enhance long term share holder's value.

2. BOARD OF DIRECTORS.

The compositions of the Board and number of meetings attended by the Directors.

Name of the Director	Category of Directorship	Other Directorships#	Membership of Other committees	Attendance	
				Board Meetings	AGM
Shri K.R.Maheshwary	Executive, Promoter	Nil	Nil	5	1
Shri Gagan Maheshwary	Executive, Promoter	Nil	1	5	1
Shri R.L.Chhabra	Non-executive, Independent	Nil	3	5	1
Shri V.K.Khanna	Non-executive, Independent	Nil	3	5	1
Shri Ajay Kapoor	Non-executive, Independent	Nil	1	3	Nil

This excludes directorship held in private limited companies.

The Board of the Company met 6 times during the financial year, on the following dates :

(1) 14th April 08 (2) 31st May 08 (3) 30th June 08 (4) 31st July 08 (5) 31st Oct 08 (6) 31 Jan 09.

3. COMMITTEE OF DIRECTORS

i) Audit Committee

The audit committee is constituted of Sh.R.L.Chhabra as Chairman, Sh.V.K.khanna and Sh.Ajay Kapoor as members. The terms of reference and powers are those as prescribed under clause 49 of listing agreement. All the members are non-executive and independent. During the year 5 meetings of audit committee were held on 14-4-08 (attended by 2 members), 30-6-08 (attended by 3 members), 31-7-08 (attended by 3 members) and 30-10-08 (attended by 3 members), 31-1-09 (attended by 2 members).

ii) Investors/shareholders grievance committee.

This committee is headed by Sh V.K.Khanna as Chairman and Sh R.L.Chhabra and Sh.Gagan Maheshwary as members. The terms of reference and powers are those prescribed under clause 49 of the listing agreement. Communications received from the shareholders are promptly attended to by the share transfer agent. During the year 13 complaints were received from the share-holders and all the complaints have been properly attended to by the share transfer agent. There are no unattended pending complaints. Mr. Gagan Maheshwary is compliance officer.

The company is having designated e mail ID gagangases@yahoo.com for Investor Grievance Redressal Division

iii) Remuneration Committee.

This committee is headed of Sh R.L.Chhabra as Chairman, and Shri V.K.Khanna is other members. All the members are independent and non-executives. During the year, there was proposal of the appointment of Managing Director, and as such one meeting was held on 30-6-09 where in terms of appointment, fixation of remuneration and other benefits payable to Sh K.R.Maheshwary as Managing Director were approved.

4. CODE OF CONDUCT.

The Board of Directors has laid down/ adopted a Code of Conduct for all the Board Members and senior management as per the requirements of the clause 49 of the listing agreement. All the directors have affirmed compliance of code of conduct.

5. REMUNERATION PAID TO DIRECTORS DURING 08-09.

Director	Relationship with other Directors	Salary and HRA Rs.
Shri K.R Maheshwary	Gagan Maheshwary	276000(216000)
Shri Gagan Maheshwary	K.R.Maheshwary	360000(295484)

None of the directors has taken loan or advance from the company nor sitting fee has been paid.

In case of Gagan Maheshwary, PF contribution is Rs 9360

6 GENERAL BODY MEETINGS

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting	Date	Time	Venue	No.of special resolution passed
20th	30 th September, 2006	10 a.m.	Registered office	Nil
21st	29 th September, 2007	10 a.m.	Registered office	1
22nd	30 th September, 2008	10 a.m.	Registered office	2

7. DISCLOSURES

a. There are no transactions with any of the related parties except that the company has received unsecured deposits and intercorporate deposit from the related parties in the interest of the smooth running of the business of the company.

b. There has been no instance of non compliance by the company on any of the matters related to capital markets and there are no instance of penalties or strictures imposed by SEBI or Bombay Stock Exchange.

8. MEANS OF COMMUNICATION

Results are communicated through press release.

9. SHAREHOLDERS INFORMATION

9.1 Annual General meeting will be held on Wednesday the 30th September 09 at Registered office of the Company at 602, Sector 3, Pithampur, Distt. Dhar at 10.00AM.

9.2 Financial calendar: financial reporting for

Quarter ending 30 th June	(unaudited)	last week of July 2009
Quarter ending 30 th Sept	(unaudited)	last week of Oct. 2009
Quarter ending 31 st Dec.	(unaudited)	last week of Jan. 2010
Year ending 31 st March	(audited)	last week of June 2010

9.3 Date of Book closure is 22-9-09 to 30-9-09 (both days inclusive.)

9.4 Dividend payment date :- None

9.5 Listing of stock exchanges: The equity shares of the company are listed on The Stock Exchange, Mumbai. & The M.P. Stock Exchange, Indore. The share holder have passed special resolution in annual general meeting held on 30.09.03 for delisting of its equity shares from Madhya Pradesh Stock Exchange Ltd. The company has already made application for delisting of its equity shares to the stock exchange.

9.6 Stock Code: B.S.E. 524624.

9.7 Dematerialisation of share: In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip less trading, the company has enlisted its share with National Securities Depository Ltd. (NSDL) and Central Depository Securities Ltd. (CDSL) No. of shares dematerialized are 3424325 as on 31st March 09 which is 75.78 % of total capital.

9.8 Plant Location: The plant is located at 602 & 603, sector 3, Pithampur, Distt. Dhar, M.P.

9.9 Address for correspondence: Gagan Gases Ltd., 602, Sector 3 Pithampur Distt Dhar M.P.

9.10 Registered office: Plot No. 602, Sector 3, Pithampur, Distt. Dhar, M.P.

9.11 Market Price Data

Monthly High and Low of Company's Equity Share (Rs.10 per share) for the year ended

March 2009 at the Stock Exchange, Mumbai:

Month	Low (Rs.)	High (Rs.)
April 2008	9.75	12.00
May 2008	9.75	11.10
June 2008	9.01	11.88
July 2008	7.21	9.67
August 2008	7.78	10.88
September 2008	8.94	11.77
October 2008	8.26	10.00
November 2008	7.45	8.70
December 2008	7.73	8.86
January 2009	8.70	9.80
February 2009	9.32	12.60
March 2009	5.90	11.45

9.12 Address for correspondence for share transfer and related matters :

LINK INTIME INDIA PVT LIMITED are Registrar & Share Transfer Agent for both physical shares and electronic connectivity . Application for the transfer of shares and dematerialisation of share and other related matters may be sent to them at the following address: Link Intime India Pvt Limited, C-13 Panna Lal Silk Mill Compound, LBS Marg Bhandup West, Mumbai 400078

9.13 Shareholding pattern as on 31 st March, 2009

Category	No. of Share held	% of Shareholding
Promoters	1376948	30.47
Bank, Financial Institutions & Insurance Company	3200	0.07
Private Bodies Corporate	136320	3.01
Indian Public	2964160	65.62
NRI/OCBs	35722	0.79
Clearing Member	2150	0.04
Total	4518500	100

9.14 Distribution of Shareholding as on 31 st March, 2009

Shareholding of nominal value of Rs.	No of Holders	%	No of Shares	%
Upto 5000	5557	87.02	1070101	23.68
5,001 to 10,000	477	7.48	407905	9.03
10,001 to 20,000	158	2.48	248880	5.51
20,001 to 30,000	63	0.98	161186	3.57
30,001 to 40,000	25	0.39	90750	2.01
40,001 to 50,000	31	0.48	142741	3.16
50,001 to 1,00,000	34	0.53	258701	5.72
Above 1,00,001	41	0.64	2138236	47.32
Total	6386	100	4518500	100

9.15 Designated e mail ID

The company is having designated e mail ID gagangases @ yahoo.com for Investor Grievance Redressal Division

Place: Indore
Dated 30-6-09

For and on behalf of the Board of Directors
K.R.MAHESHWARY
Chairman

DECLARATION BY THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT BY THE DIRECTORS.

I hereby confirm that all the directors have as on 31st March 09 affirmed compliance to their respective code of conduct adopted by the company and confirmation to that effect has been given by each of them.

Place: Indore
Dated : 30-6-09

K.R.Maheshwary
Managing Director

AUDITORS' REPORT

To,
The Members of
Gagan Gases Limited

We have audited the attached Balance Sheet of Gagan Gases Limited as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement 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 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' Report) Order, 2003 as amended by the Companies (Auditors' Report) Amendment 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 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 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards as applicable to the company referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes appearing in schedule "N", 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:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2009.
- (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of **ABN & Co.**
Chartered Accountants
B.M. Bhandari
Partner

Place: Indore
Date: 30-6-09

ANNEXURE TO THE AUDITOR'S REPORT

1. a. The company has maintained complete record, showing full particulars including quantitative details and situation of the fixed assets.
b. The management has stated that fixed assets, except LPG cylinders, have been physically verified during the year and there is a regular program of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. LPG cylinders being in the physical possession of LPG consumers and dealers are verified in routine as and when these pass through the company for refilling. No discrepancies were noticed by the management on such verification as compared with the book record.
c. During the year, company has not disposed of any substantial part of fixed assets.
2. a. As explained to us, inventory has been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
b. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
c. As per explanations and on examination of records no material discrepancies were noticed on verification between physical stocks and the books of account.
3. a. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to the parties listed in the register

maintained under section 301 of the Companies Act, 1956 and therefore, clauses (b), (c) and (d) are not applicable to the company.

- e. The company is having unsecured loans from two companies and one other party listed in the register maintained under section 301 of the Companies Act, 1956 whose maximum outstanding during the year was of Rs.39.70 lacs while the closing balance is of Rs.33.60 lacs.
- f. According to information and explanations given to us, loans taken are interest free for the year under reference.
- g. According to information and explanations given to us, loan is repayable on demand.
4. In our opinion there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness was noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that needed to be entered into the register maintained under section 301 have been so entered; and
 - b. According to information and explanations given to us, in our opinion the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the company has not accepted deposit from public and therefore, provisions of section 58A and 58AA of Companies Act, 1956 and rules made there under are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. As per information and explanations given to us, no books of account and cost records are prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956 for the company.
9. a. According to information and explanations given to us, no undisputed liability of Income Tax, Provident Fund and Employees State Insurance dues are in arrear as at 31st March 2009 for a period of more than six months. However Rs.52214/- related to undisputed liability of Entry Tax, M.P. Commercial Tax, and Central Sales Tax for the financial year 2000-01 and Rs.107615/- for the financial year 2001-02 are in arrear as at 31st March 2009 for period more than six months.
b. According to information and explanations given to us, no dues of income tax /sales tax /entry tax /service tax /customs duty /wealth tax /excise duty /cess, which have not been deposited on account of any dispute.
10. The company's accumulated losses at the end of the year exceeds the fifty percent of the net worth of the company but the company has not incurred cash losses in the current financial year as well as immediately preceding financial year.
11. Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of any dues to bank.
12. According to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provision of special statute applicable to Chit fund, Nidhi or Mutual benefit fund or societies are not applicable to the company.
14. According to the information and explanations given to us, company is not dealing in shares and securities and hence maintenance of records is not required.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from any bank or financial institution.
16. No term loans were raised by the company during the year under audit.
17. According to the information & explanations given to us and on the basis of an overall examination of balance sheet of the company, in our opinion there are no funds raised by company on short-term basis, which have been used for long-term investments.
18. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956 during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
19. According to the information and explanations given to us, no debenture has been issued by company during the year, hence the question of security and charges creation does not arise.
20. The company has not raised money by any public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For and on behalf of **ABN & Co.**
Chartered Accountants
B.M. Bhandari
Partner

Place: Indore
Date: 30-6-09

Chartered Chamber - 2nd Floor, 7/1, Usha Ganj (Chawani), INDORE

CERTIFICATE

To,
The Members of,

M/s Gagan Gases Limited

We have examined the compliance of conditions of Corporate Governance by M/s Gagan Gases Limited for the year ended on 31st March 2009 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange of India. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the 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 explanations given to us, we certify that the company has complied with the other conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that in respect of investor grievance received during the year ended as on 31st March 2009, no investor grievances are pending against the company as on date as per the records maintained by the company.

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

Place : Indore
Date : 30/06/2009

For and on behalf of ABN & Co.
Chartered Accountant

CA B.M. Bhandari
Partner

GAGAN GASES LIMITED
BALANCE SHEET AS AT 31.03.2009

	SCH.	31.03.2009	31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	A	45,185,000	45,185,000
LOAN FUNDS			
Secured loans	B	-	679,886
Unsecured loans	C	3,590,496	3,649,004
DEFERRED TAX LIABILITY		347,313	1,691,488
TOTAL		49,122,809	51,205,378

APPLICATION OF FUNDS

FIXED ASSETS			
Gross Block	E	108,774,835	108,774,835
Less Depreciation		92,879,964	87,900,996
Net Block		15,894,871	20,873,839
CURRENT ASSET LOANS & ADVANCES			
CURRENT ASSETS			
Inventories	F	2,810,744	2,799,880
Sundry Debtors		6,131,110	4,805,097
Cash & bank balances		3,644,567	3,499,239
Loans & advances		1,112,772	865,195
		13,699,193	11,969,411
LESS:			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	D	10,217,216	9,092,336
Provisions		836,503	778,421
		11,053,719	9,870,757
Net Current Assets		2,645,474	2,098,654
PROFIT & LOSS ACCOUNT	G	30,582,463	28,232,885
TOTAL		49,122,809	51,205,378

NOTES ON ACCOUNTS

N

Schedules referred hereabove form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE
For ABN & Co.
(Chartered Accountants)

FOR & ON BEHALF OF BOARD OF DIRECTORS

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE: INDORE
DATED: 30 June 2009

GAGAN GASES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

INCOME	SCHEDULE	2008-09	2007 - 08
Income from operations		32,303,486	36,473,503
Other Income		473,749	361,580
Closing stock		2,795,744	2,774,880
	Total	35,572,979	39,609,963

EXPENDITURE

Opening stock		2,774,880	2,692,329
Cost of material	H	27,983,165	31,221,465
Manufacturing expenses	I	209,324	226,758
Payment to & provision for employees	J	1,533,351	1,409,543
Rates/ Taxes excluding tax on Income	K	94,329	411,786
Administrative expenses	L	1,286,596	890,829
Interest charges	M	25,207	220,907
Depreciation	E	1,718,782	1,811,492
Provision for gratuity		199,654	156,581
Loss on sale of fixed assets		-	193,992
Provision for doubtful debts		-	50,679
Net profit(loss) carried down		(252309)	323,602

35,572,979	39,609,963
------------	------------

PROFIT FOR THE YEAR BEFORE TAX

	(252309)	323,602
--	----------	---------

Prior year's adjustments	3430488	(43911)
--------------------------	---------	---------

Add / (less)

PROVISION FOR TAXES

Current Income Tax	nil	nil
--------------------	-----	-----

Deferred Tax	1344175	(408786)
--------------	---------	----------

Fringe Benefit Tax	(10956)	(11145)
--------------------	---------	---------

PROFIT AFTER TAX	(2349578)	(140200)
-------------------------	------------------	-----------------

Balance brought forward	(29432323)	(29292123)
-------------------------	------------	------------

Balance carried forward to schedule G	(31781901)	(29432323)
---------------------------------------	------------	------------

Basic Earnings per share of Rs. 10/-	(0.520)	(0.031)
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Schedules referred hereabove form an integral part of profit and loss

AS PER OUR SEPARATE REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

For ABN & Co.
(Chartered Accountants)

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE: INDORE
DATED: 30 June 2009

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

SCHEDULE 'A'	A M O U N T AS AT 31.03.2009 Rs	A M O U N T AS AT 31.03.2008 Rs.
SHARE CAPITAL		
Authorised :		
75,00,000 (75,00,000) Equity Shares of Rs. 10/- each	75,00,000	75,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
4518 500(4518500) Equity Shares of RS. 10/- each fully paid	45,185,000	45,185,000
SCHEDULE 'B'		
SECURED LOANS :		
Term Loan from Bank	-	679,886
	-	679,886
SCHEDULE 'C'		
UNSECURED LOANS		
Deposits from directors/share holder	705,000	205,000
Inter corporate deposit	2,655,260	2,905,000
Security deposits from dealers	230,236	539,004
TOTAL	3,590,496	3,649,004
SCHEDULE 'D'		
CURRENT LIABILITIES AND PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry creditors for expenses	1,159,248	986,484
Sundry creditors (other)	4,788,815	3,686,982
Cheques payable	136,253	338,669
Interest payable to bank	3,836,375	3,821,375
Statutory liabilities	242,972	209,267
Expenses payable	46,986	49,559
Advances from customers	6,566	-
TOTAL A	10,217,216	9,092,336
(B) PROVISIONS		
Provision for gratuity	825,547	716,597
Provision for doubtful debts	-	50,679
Provision for FBT	10,956	11,145
TOTAL B	836,503	778,421
TOTAL A+B	11,053,719	9,870,757

Note: Bank borrowing is secured by way of equitable mortgage of land & building both present and future and first charge by way of hypothecation of plant & machinery.

As Per Our Separate Report Of Even Date"

For And on Behalf of The Board of Directors

For : ABN & Co.
Chartered Accountants

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE : INDORE

DATED: 30 June 2009

GAGAN GASES LIMITED
SCHEDULE 'E' ATTACHED TO & FORMING PART OF BALANCE SHEET AS AT 31.03.2009

PARTICULARS	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 AT 01.04.2008 Rs	ADDITION Rs	DELETIONS Rs	TOTAL AS AT 31.03.2009 Rs	UP TO 01.04.08 Rs	FOR THE YEAR Rs	ADJUSTMENTS Rs	UP TO 31.03.2009 Rs	AS AT 31-03-2008 Rs	AS AT 31.03.2009 Rs
LEASE HOLD LAND & SITE DEVELOPMENT	2,490,520	-	-	2,490,520	358,354	25,157	-	383,511	2,132,266	2,107,009
FURNITURE & FIXTURES	1,147,284	-	-	1,147,284	1,033,824	20,536	-	1,054,360	113,460	92,924
FACTORY BUILDING	16,970,284	-	-	16,970,284	6,992,819	543,105	-	7,535,924	9,977,465	9,434,360
PLANT & MACHINERY	9,048,517	-	-	9,048,517	5,459,256	429,805	-	5,889,061	3,589,261	3,159,456
VEHICLES	273,255	-	-	273,255	175,695	12,441	-	188,136	97,560	85,119
ELECTRICITY INSATALLATIONS (*unit II)	1,176,599	-	-	1,176,599	725,016	55,888	-	780,904	451,583	395,695
ELECTRICITY INSATALLATIONS (*unit I)	574,735	-	-	574,735	574,734	-	-	574,734	1	1
GAS CYLINDERS(large capacity)	74,730,509	-	-	74,730,509	70,900,394	560,771	3,260,186	74,721,351	3,830,115	9,158
GAS CYLINDERS(Small capacity)	163,241	-	-	163,241	163,240	-	-	163,240	1	1
FIRE FIGHTING EQUIPMENT	1,303,038	-	-	1,303,038	676,063	61,894	-	737,957	626,975	565,081
COMPUTERS	896,853	-	-	896,853	841,601	9,185	-	850,786	55,252	46,067
TOTAL	108,774,835	-	-	108,774,835	87,900,996	1,718,782	3,260,186	92,879,964	20,873,939	15,894,871
Previous year's figures Rs.	109,163,656	184,171	572,992	108,774,835	860,089,504	1,811,492	-	87,900,996	23,074,152	20,873,839

Note: During the year adjustment of Rs. 3260186/- has been made in cylinder account on account of residue value difference which was earlier taken at 5% at against now proposed at Re. 1 only

"AS PER OUR SEPARATE REPORT OF EVEN DATE"

For : ABN & Co.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

B.M.BHANDARI
(PARTNER)
PLACE : INDORE
DATED: 30 June 2009

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

PARTICULARS	A MOUNT AS AT 31.03.2009 Rs.	A MOUNT AS AT 31.03.2008 Rs.
SCHEDULE F		
CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES		
(As taken, valued and certified by the management)		
a) LPG	1,055,147	1,104,310
b) LUBRICANTS	1,740,597	1,670,570
Total amount taken to Profit & Loss Account (A)	2,795,744	2,774,880
Stock of Stores & Spares in hand (B)	15,000	25,000
Total (A) & (B) taken to Balance Sheet	2,810,744	2,799,880
SUNDRY DEBTORS		
(unsecured, considered good)		
Outstanding over 6 months	579,442	732,960
Others	5,551,668	4,072,138
TOTAL	6,131,110	4,805,098
CASH AND BANK BALANCES		
Cash in hand	424,818	1,254,363
Cheque in hand	28,945	132,065
Balances with schedule banks	3,068,883	1,990,891
Balances with other banks	121,920	121,920
TOTAL	3,644,567	3,499,239
LOAN AND ADVANCES (unsecured, considered good)		
Advance to employees	489	3,570
Advance to suppliers	580,315	247,187
Deposits given	280,457	253,257
Income tax deducted at source	210,262	181,935
Refund of commercial tax	23,817	23,817
Prepaid expenses	17,432	32,960
VAT a/c		122,469
TOTAL	1,112,772	865,195

"AS PER OUR SEPARATE REPORT OF EVEN DATE"

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For ABN & Co.

(Chartered Accountants)

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE: INDORE
DATED: 30 June 2009

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.3.2009

SCHEDULE - G

PROFIT AND LOSS ACCOUNT

Loss brought forward from P&L appropriation a/c
Less -General Reserve

A MOUNT AS AT 31.03.2009 Rs.	A MOUNT AS AT 31.03.2008 Rs.
31,781,901	29,432,323
1,199,438	1,199,438
30,582,463	28,232,885

SCHEDULE -H

COST OF MATERIAL

Purchase of LPG
Purchases of lubricants
Purchase of Test Shop Material
Entry Tax

3,692,208	6,038,038
23,956,310	24,516,117
-	602,685
66,013	6,110

Total A

27,714,531	31,162,950
------------	------------

Freight on LPG purchase
Freight on lubricants purchase

179,214	58,515
89,420	-

Total B

268,634	58,515
---------	--------

Total A & B

27,983,165	31,221,465
------------	------------

SCHEDULE -I

MANUFACTURING EXPENSES

Power consumed
Stores & spares consumed
Repair to plant & machinery

144,902	179,989
59,668	38,488
4,754	8,281
209,324	226,758

SCHEDULE - J

PAYMENT TO AND PROVISIONS FOR EMPLOYEES :

Payment to Directors
Payment to Employees
Provision for bonus

636,000	511,484
758,671	722,388
34,031	37,405

Total A

1,428,702	1,271,277
-----------	-----------

CONTRIBUTION TO PF & OTHER FUNDS

PF directors
PF employees
ESIC employees

9,360	33,058
66,486	75,117
28,803	30,091

Total B

104,649	138,266
---------	---------

Total A & B

1,533,351	1,409,543
-----------	-----------

SCHEDULE - K

RATES & TAXES (excluding tax on income)

Commerical tax
Service tax
Fee rates & taxes

-	124,588
16,693	263,745
77,636	144,549

Total

94,329	532,882
--------	---------

As Per Our Separate Report Of Even Date"

For : ABN & Co.
Chartered Accountants

B.M.BHANDARI
(PARTNER)

PLACE : INDORE

DATED: 30 June 2009

For And on Behalf of The Board of Directors

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

SCHEDULE L

ADMINISTRATIVE EXPENSES

	31.03.09 Rs.	31.03.2008 Rs.
Rent office	103,213	82,800
Repair building	5,465	-
Staff tea & misc exp.	8,033	19,157
Insurance	11,874	22,396
Advertisement	11,466	61,635
Travelling	27,453	22,079
Total A	167,504	208,067

OTHER MISC EXPENSES

Printing & stationery	53,127	21,766
Repair & mainenance (others)	16,039	18,395
Electricity expenses office	23,641	27,716
Lease rent	110,279	85,529
Postage exps	43,330	44,383
Miscellaneous expenses	21,210	26,857
Bank chargs	13,921	40,479
Telephone	92,392	98,435
Vehicle running & maintenance	80,266	33,252
Rebate & discount	134,609	67,506
Auditors remuneration	25,000	25,000
Freight outward expenses	158,172	113,358
Marketing devlopment exp.	217,834	80,086
Conveyance	19,302	-
Web site expenses	5,500	-
Plant security a/c	104,472	-
Total B	1,119,092	682,762
Total A+ Total B	1,286,596	890,829

SCHEDULE M

INTEREST CHARGES

Interest to Bank	15,000	214,200
Interest to others	10,207	6,707
	25,207	220,907

As Per Our Separate Report Of Even Date"
For : ABN & Co.
Chartered Accountants

For And on Behalf of The Board of Directors

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE : INDORE
DATED: 30 June 2009

GAGAN GASES LIMITED

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING:

The financial statements are prepared under historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211 (3c) of the Companies Act, 1956.

2. INVENTORIES :

Raw Material, Stores & Spares & other trading products are valued at cost determined on

FIFO basis. Finished goods are valued at cost or net realizable value whichever is lower.

3. FIXED ASSETS AND DEPRECIATION

i) Fixed assets are stated at historical cost of acquisition and installation.

ii) Depreciation is provided on all depreciable assets on straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except in case of furniture & fixture depreciation is provided at written down value basis at the rates and in the manner provided in schedule XIV to the Companies Act, 1956. Depreciation on addition / deletion is charged on pro rata basis

iii) The full value of leasehold land is amortized over the period of lease.

4. RETIREMENT BENEFITS :

i) The Company's contribution to recognized provident fund and employee's state insurance contribution is charged to revenue.

ii) Provision for gratuity liability as determined by actuary has been made.

5. CASH FLOW STATEMENT

Cash flow statement has been prepared under indirect method.

6. DEFERRED TAX LIABILITY

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax resulting from timing difference between book and taxable profit is accounted for, using rates enacted for the financial year.

Deferred tax assets arise during the year is set off with the deferred tax liability and balance liability is carried forward as there is reasonable certainty that the asset will be realized in future.

B. NOTES TO THE ACCOUNTS

1. Managerial Remuneration:

Details of payment and provisions on account of remuneration to the managing director and director

PARTICULARS	K.R.Maheshwary (M Director)	Gagan Maheshwary (Director)
Salary	255000 (180000)	360000 (275484)
HRA	21000 (36000)	Nil (20000)
Contribution to PF	0 (0)	9360 (33058)

2. Balances of Sundry debtors, creditors and advances are subject to confirmation & reconciliation.

3. Provisions: The company has made the following provisions during the year.

a) Provision of Rs. 10956 (11145) towards Fringe Benefit Tax Liability has been made.

b) Provision of Rs Nil (50679) towards doubtful debts.

c) Provision of Rs 199654 (156581) towards gratuity payable.

4. Value of stores and spare parts consumed:

	Current Year Value(Rs)	%	Previous Year Value(Rs)	%
a) Imported	nil		nil	
b) Indigenous	0.60 lac	100%	0.38 lac	100%

5. The Company has neither earned any foreign exchange nor incurred any expenditure in foreign currency.

6. The deferred tax liability amounting to Rs. 1344175 for the year has been debited to Profit and Loss Appropriation Account. The major components are as follows:

Particulars	Year ended on 31.03.2009	(Rs in lacs) 31.03.2008
Deferred Tax Liability		
Depreciation	35.20	48.89
Deferred Tax Assets		
Unabsorbed depreciation/business loss	29.40	29.41
Unabsorbed business loss	1.09	1.16
Disallowed expenditure U/s 43B	1.24	1.41
Total Deferred tax Assets	31.73	31.98
Net Deferred Tax Liability	3.47	16.91
transferred to Balance Sheet		

9. Additional information required in respect of the provisions of paragraph 3,4 (c) and 5 (d) of part II of schedule VI to the Companies Act 1956.

A) Capacity & Production -- LPG Bottling Plant

(as certified by the management and accepted by Auditors)

i) Lic./regd. Capacity (p.a.)

4800 M.T.(4800)

ii) Installed Capacity (p.a.)

4800 M.T.(4800)

iii) Actual Production

85 M.T.(156)

B) Quantitative information in respect of stocks, sales of goods and consumption of raw materials. Figures rounded and figures in bracket represent last year figure.

Product	Opening Purchase Qty.	Stock Value (Rs.'000)	Sale Qty.	Value (Rs.'000)	Closing Qty.	Stock Value (Rs.'000)	Qty.	Value (Rs.'000)
LPG (MT)	25	1104	95	3882	85	4175	35	1055
	(30)	(875)	(151)	(8038)	(158)	(6572)	25	(1104)
Lubricants (Lt/Kol)	17841	1871	225246	23856	228452	27762	14635	1740
	(14202)	(1241)	(214786)	(24518)	(211157)	(27826)	(17841)	(1871)

10. Related party disclosures as required by AS 18

A. List of related parties with whom transactions have taken place and relationship.

A. Key management personal

1. K.R.Maheshwary
2. Gagan Maheshwary

B. Related Parties.

1. Gagan Goods Carrier Pvt .Ltd.
2. Gagan Investment Pvt.Ltd.
3. Rekha Maheshwary

B. Transaction with related parties

1. Name of related party Pvt.Ltd. Carrier Pvt Ltd Nature of transaction received	Gagan Investment personal unsecured loan received Rs./ lacs	Gagan Goods unsecured loan received Rs/lacs	Key management unsecured loan Rs./ lacs
2 Transaction amount			
(a) Opening Balance	7.35	21.70	2.05
(b) Unsecured loan received		1.60	7.00
(c) Interest accrued /paid	---	---	---
(d) Outstanding as on 31.03.09	7.28	19.27	7.05

None of the transaction with related parties were in conflict with the interest of the company

11. Earning per share

The earning per share & diluted earning per share during the year is (0.520) as against (0.031) of last year, which is calculated as under: -

i) The loss attributable during the year is Rs.2349578 (140200)

ii) The number of equity shares are 45,18,500

iii) The nominal value of share is Rs. 10/- per share.

12. Segment reporting

The company is also doing activity of trading of Lubricants As per conditions specified in AS 17, segment reporting is required to be made during the year for which details are given as under.

	31.3.09	31.3.08
1 Segment revenue		
(1) LPG	49	93
(11) Lubricants	278	275
Total	327	368
2. Segment results		
Profit (Loss)		
(1) LPG	(29)	(20)
(11) Lubricants	26	23
Total	(3)	3
3. Tax	-	---
4. Profit/loss after tax		
(1) LPG	(29)	(20)
(11) Lubricants	26	23
Total	(3)	3

Note: It is practically not possible to allocate the total assets and liabilities into segments.

13. Contingent liabilities not provided are as under:

a) Rs nil. lac (12 lac) being bank guarantees issued by Bank in favour of two parties. These guarantees are secured against 100% deposit with Bank.

b) Rs 51 lac (45) being bank guarantees issued by two Banks in favour of Exxon Mobil Lubricants P Ltd from whom the company is purchasing material. These guarantees are 100 % secured against personal deposits by the directors and related parties.

14. Previous year's figures have been regrouped and rearranged wherever considered to make them comparable and in lines with the requirement of presentation as per income tax laws. Figures are rounded to nearest rupees. To give effect to regrouping, last years figures are accordingly recasted to make them comparable.

15. There are no transactions with SSI units, hence reporting for SSI units not required.

16. Schedule N form an integral part of the accounts and have been duly authenticated.

As Per Our Separate Report Of Even Date"

For :ABN & Co.

Chartered Accountants

For And on Behalf of The Board of Directors

B.M.BHANDARI
(PARTNER)

K.R.MAHESHWARY
(MANAGING DIRECTOR)

GAGAN MAHESHWARY
(DIRECTOR)

PLACE : INDORE

DATED: 30 June 2009

GAGAN GASES LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2008-2009

PARTICULARS	Year Ended 31st March 09 (Rs.in Lacs)	Year Ended 31st March 08 (Rs.in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss)/Profit before tax, Interest and Extra ordinary items.	-2.27	6.95
Adjustment for :		
Depreciation :	17.19	18.11
	14.92	25.06
Operating Profit before working Capital changes		
Adjustments for :		
Trade and other receivable .	-15.74	(7.17)
Inventories	-0.11	(0.63)
Trade Payables & other Liabilities	11.83	20.10
	-4.02	12.3
Cash (Used in)/Generated from operation	10.90	37.36
Extra ordinary items & FBT	(1.81)	(0.11)
Cash flow before Income Tax	9.09	37.25
Less Income tax paid	0	0
Net Cash (Used in) / Generated from Operating activities (A)	9.09	37.25
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	0	(1.84)
Sale of Fixed Assets	0	3.79
	0.00	1.95
Net Cash (used in) from Investing Activities (B)	0.00	1.95
C. CASH FLOW FROM FINACING ACTIVITIES :		
Borrowing (net)	-7.39	(37.76)
Interest on borrowing	-0.25	(2.21)
	(7.64)	(39.97)
NET CASH FLOW FROM FINACING ACTIVITIES (C)	(7.64)	(39.97)
NET CASH INCREASE (DECREASE)IN CASH AND CASH EQUIVALENT (A+B+C)	1.45	(0.77)
CASH & CASH EQUIVALENT AS AT 1st APRIL ,2008 (OPENING BALANCE)	35.00	35.77
CASH AND CASH EQUIVALENT AS AT 31st MARCH ,2009(CLOSING BALANCE)	36.45	35.00

Note : Figure in brackets represent outflows

AUDITORS' CERTIFICATE

The Board of Directors
Gagan Gases Limited, Pithampur (M.P.)

We have examined the attached Cash Flow Statement of Gagan Gases Limited for the year ended 31st March 2009. The statement has been prepared by the company in accordance with the requirements of Clause 32 of Listing Agreement with the stock exchange and is based on and in agreement with the corresponding profit and loss account of the company covered by our report of 30th June 09.

For : ABN & Co.
Chartered Accountants

B.M.BHANDARI
(PARTNER)

PLACE : INDORE
DATED: 30 June 2009

GAGAN GASES LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 4228 State code 10

Balance sheet date 31.03.2009

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public issue nil Rights issue nil

Bonus issue nil Private placement nil

III. POSITION OF MOBILIASATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

	<u>Total liabilities</u>	<u>Total assets</u>
Source of funds	49123	49123
	<u>Paid up capital</u>	<u>Reserves and surplus</u>
	45185	0
	<u>Secured loans</u>	<u>Unsecured loans</u>
	0	3590
	<u>Deferred tax</u>	
	347	
Application of funds	<u>Net fixed assets</u>	<u>Investments</u>
	15895	0
	<u>Net curent assets</u>	<u>Misc.expenditure</u>
	2645	0
		<u>Accumulated losses</u>
		30582

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

<u>Turnover(Gross revenue)</u>		<u>Total expenditure</u>
35573		35825
<u>Profit/loss before tax</u>		<u>Profit/loss after tax</u>
(252)		(2349)
<u>Eaming per share</u>		<u>Dividend</u>
(0.52)		nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

Item code no.(ITC Code)	9993
Product Description	L.P.G.

GAGAN GASES LIMITED

Registered Office : 602, Sector III, Pithampur Distt. Dhar (M.P.)

ADMISSION SLIP

To be handed over at t entrance of the metting Hall

Member's Folio Number

Name of the attending Member
(In Block Letters)

Number of Shares

Name the proxy in block letters
(To be filled in if proxy attends instead of the Member)

I hereby record my presence at the 23nd Annual General Meeting at Regd. Office 602, Sector III, Pithampur Distt. Dhar (M.P.)
On 30th September 2009 at 10.00 am.

Signature of Member/Proxy

GAGAN GASES LIMITED

Registered Office : 602, Sector III, Pithampur Distt. Dhar (M.P.)

PROXY

I/We
Of being members (s)
of Gagan Gases Limited, hereby appoint Mr.
of
or Failing him, Mr.
of
as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meting of the company to be held on 30th September, 2009
at 10.00 Am and at any adjournment thereof.

As Witness. My/our hand this day of 2009

Folio No. Signature

Revenue
Stamp

Note : The Proxy must reach the company's Registered Office not less than 48 hours before the meeting.

BOOK - POST

To,

If Underlivered Please return to :

GAGAN GASES LIMITED

Registered Office :

602, Sector III, Pithampur Distt. Dhar (M.P.) 454774

Tel. : 07292-400266