

**BOARD OF DIRECTORS**

|                  |                        |
|------------------|------------------------|
| S.P.Shorewala    | Chairman               |
| Satish Shorewala | Whole Time Director    |
| Rohit Shorewala  | Director               |
| C. P. Singhania  | Independent Director   |
| Dr. Paras Gandhi | Independent Director   |
| A.S.Ganerival    | Non Executive Director |

**Registered Office**

1 Mahesh Villa, B. G. Kher Road,  
Worli, Mumbai - 400 018

**Banker**

HDFC Bank Ltd.  
State Bank of India  
Axis Bank Ltd.

**Auditors**

Bhuwania & Agrawal Associates  
Chartered Accountants  
503/505 J.S. Seth Road,  
Chira Bazar, Mumbai - 400 002.

**Registrar & Share Transfer Agent**

Sharex (India) Private Limited,  
Unit 1, Luthra Industries Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400 072.

**NOTICE TO MEMBERS**

Notice is hereby given that the Thirty First Annual General Meeting of the members of **ABC GAS (INTERNATIONAL) LIMITED** will be held on Wednesday, the **30<sup>th</sup> November** day of November, 2011 at 10.00 am. at 1 Mahesh Villa, Worli, Mumbai - 400 018 to transact the following business as:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended **31st March 2011**.
2. To appoint a Director in place of Mr. S. P Shorewala who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chandraprakash Keshardeo Singhanian, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) and the existing Authorized Share Capital of the Company be and is hereby increased from Rs. 2,50,00,000 (Rupees Two Crores and Fifty Lakhs only) to Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

**RESOLVED FURTHER THAT** pursuant to Section 16 of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be altered by substituting the existing Clause V with the following new Clause, namely

V. (a) The authorized share capital of the company is Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

**AND RESOLVED THAT** for giving effect to this resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary."

6. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 31 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) the Article No. 3(a) of the Articles of Association be and is hereby altered to increase the Authorized Share Capital of the Company from Rs. 2,50,00,000 (Rupees Two Crores and Fifty Lakhs only) to Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty lacs) equity shares of Rs. 10/- (Rupees Ten only) each to be read as:

3. (a) The authorized share capital of the company is Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

**AND RESOLVED THAT** for giving effect to this resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary."

7. To consider and, if thought fit, to pass the following resolution with or without modification(s), if any, as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of, 81(1A) and other applicable provisions if any of the Companies Act 1956 (the Act) (including any amendments or re-enactments thereof) and in accordance with the relevant provisions of Memorandum and Articles of Association of the company, the listing agreements entered into with the Stock Exchanges where the company's shares are listed, the guidelines and clarifications issued by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the company (herein referred to as the 'Board' which term shall include committee thereof) the consent of the company be and is hereby accorded to the Board to offer, issue and allot upto 30,20,000 (Thirty Lac Twenty Thousand) warrants with a right exercisable by the Warrant holder to subscribe for one Ordinary Share per Warrant (all of which are hereinafter collectively referred to as 'Securities') to the Promoter, promoter group and other strategic investors on preferential basis, on such other terms and conditions as the Board may in its absolute discretion decide at the time of issue of Securities, and at such price or prices, including premium if any, as may be determined and approved by the Board in accordance with the conditions specified in the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009,

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to variation of the price or period of exercise of option by Warrant holder or issue of Ordinary Shares during the period of the Securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Ordinary Shares as may be required to be issued and allotted, including issue and allotment of Ordinary Shares upon exercise of option by Warrant holder or as may be necessary in accordance with the terms of the offer, all such shares ranking pari-passu inter-se with the existing Ordinary Shares of the Company in all respects.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the relevant date, for determination of price for the Ordinary Shares issued and allotted upon exercise of right attached to the Warrants referred to above, shall be 31st October, 2011.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Ordinary Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts, difficulties or questions that may arise in regard to offer, issue and allotment of Equity Shares and to effect any modification to the foregoing (including any modification of terms of the said issue) and to execute all such writings, documents and instruments as the Board may at its absolute discretion deem fit, necessary, expedient or desirable.

**AND RESOLVED THAT** the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as the GOI//RBI/SEBI/Stock Exchange or any other regulatory authority may stipulate in that behalf."

By order of the Board  
for ABC Gas (International) Ltd.

S.P. Shorewala  
CHAIRMAN

Mumbai, 22.10.2011  
**Registered Office:**  
1 Mahesh Villa,  
Worli, Mumbai - 400 018

## Notes:

1. 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXY FORM IS ENCLOSED HEREWITH. PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of members and the share transfer books of the company will remain closed from Tuesday, 29TH November, 2011 to Wednesday, 30TH November, 2011 (both days inclusive)
3. Members are requested to intimate change in their address.
4. The shareholders are requested to send their request for demat of shares to our depository participant M/s. Sharex (India) Private Limited, Unit No. 1, Luthra Ind. Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai - 400072 or to the company's registered office to our investors' relations department.
5. Shareholders holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant share certificates to the company's registrar and transfer agents, M/s Sharex (India) Private Limited.
6. Members are requested to bring copies of annual report to the annual general meeting.
7. The member / proxies should bring the attendance slip duly filled in and signed for attending the meeting.
8. Members are requested to quote ledger folio number in their correspondence.
9. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.
10. At the ensuing Annual General Meeting Mr. S P Shorewala and C P Singhania, retires by rotation and being eligible offers themselves for re-appointment, the brief resume of directors are as under:

| Name  | Mr. S P Shorewala   | Mr. C P Singhania          |
|---|---|----------------------------|
| Age   | 77year  | 65 Year                    |
| Qualification   | Graduate  | Graduate                   |
| Expertise in Specific Area  | Marketing   | Management                 |
| Date of First Appointment on the Board of the Company                   | 21/01/1986  | 25/07/2001                 |
| Name(s) of the other companies in which Directorship held and Committee | ABC Tube Industries Ltd.<br>Sincere Distributors Pvt. Ltd.<br>Delta Pipe Fittings Pvt. Ltd. | Rashi Equisearch Pvt. Ltd. |

11. **Green initiative in Corporate Governance:** The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Directors' Report, Auditors' Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.

**ANNEXURE TO THE NOTICE:****Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.****Item 5 & 6.**

The company in its resolution at item no. 7 has proposed to issue and allot upto 30,20,000 Convertible Warrants convertible into equity shares on preferential basis, for which the company needs to increase its authorised capital.

The existing authorised of the company is Rs. 2,50,00,000/- (Rupees Two Crore and Fifty lakhs Only) divided into 25,00,00,000/- (Twenty Five Lakhs) equity shares of Rs. 10/- each (Ten Only).

The existing authorised capital does not allow the company to raise further capital, thus the authorised capital of the company needs to be increased to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each (Ten Only).

Pursuant to the provisions of the Companies Act, 1956, any change in the Capital of the company and any amendment thereof in the Memorandum and Articles of Association need the shareholders approval.

Your Board recommends to pass the above said resolution through the postal ballot process as per provisions of the section 192A of the Act read with the Companies [Passing of resolution by Postal Ballot] Rules, 2001.

Draft amended copy of the Memorandum of Association has been placed at the Registered Office of the Company for inspection during the business hours till the close of the postal ballot process.

None of the Directors of the Company has any interest or concern in the said resolution.

**Item 7**

The Board of Directors has for the purpose to fulfill its working capital requirement, proposed to issue upto 30,20,000 (Thirty Lakhs Twenty Thousand) Convertible warrants of Rs.10/- each of the company to such category of person as it may deemed fit, as a primary investment on preferential allotment basis subject to the receipt of requisite corporate and regulatory approvals, due diligence and execution of appropriate documentation by the parties and fulfillment of conditions precedent mentioned therein.

The present resolution is proposed to be passed in order to enable the Board of Directors of the company to make the above-mentioned preferential issue of warrants. The aforesaid issue and allotment of warrants will be governed by the provision of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (SEBI Guidelines).

As per SEBI's Guidelines 76 (2) for Preferential Issues, an issue of shares on a preferential basis can be made only at a price which is not less than the higher of the following:

- (a) The price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of arrangement under section 391 to 394 of the Companies Act, 1956 pursuant to which the equity shares of the issuer were listed, as the case may be; or
- (b) The average of weekly high and low of the closing price of the related equity shares quoted on the recognized stock exchange during the period the shares have been listed preceding the relevant date; or
- (c) The average of weekly high and low closing prices of the related equity shares quoted on recognized stock exchange during the two weeks preceding the relevant date.

The Board decided to issue the warrants at Rs. 10/- per warrant as per the SEBI Guidelines 76 (2).

The "relevant date" for the above purpose of pricing of the ordinary shares arising out of exercise of Warrants shall be 31st October, 2011, being the date which is 30 days prior to the date of approval of the Shareholders in the Annual General Meeting i.e. 30th November, 2011.

An amount equivalent to at least 25% of the consideration payable on the Warrants shall be paid at the time of allotment of the Warrants and the remainder shall be paid upon allotment of Ordinary Shares upon exercise of the Warrants.

The Shares arising out of exercise of right attached to the Warrants to be allotted to the applicants pursuant to the proposed special resolution shall be subject to lock in period pursuant to SEBI ICDR Regulations 2009

The Board believes that the proposed offer will be in the best interest of the Company and its members.

**Information as required under the provisions of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 for Preferential Issues:**

- Object of the Issue:  
The Issue proceeds is to be utilised to augment the long term resources to finance the working capital requirement of the company.
- Intention of Promoters/Directors/Key Management Persons to Subscribe to the Offer:  
The promoter, promoter group of the Company and other strategic investors has conveyed their intention to subscribe to the offer.
- Shareholding Pattern before and after the preferential issue (As on 30th November, 2011)

| Category                 | Existing Shareholdings |                   | Shareholding after conversion of Warrants |                   |
|--------------------------|------------------------|-------------------|---|-------------------|
|                          | No of Shares           | % of shareholding | No of shares                              | % of shareholding |
| <b>Promoters holding</b> | 535700                 | 27.06%            | 1602700                                   | 32.05%            |
| Others                   | 1444300                | 72.94%            | 3397300                                   | 67.95%            |
| <b>Grand Total</b>       | <b>1980000</b>         | <b>100%</b>       | <b>5000000</b>                            | <b>100%</b>       |

- Proposed time within which allotment will be completed:  
The allotment is proposed to be made within 15 days of the date of passing this resolution, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by a regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval. However, if so required the period of allotment may be extended subject to requisite approval / applicable provisions. The allotment of shares pursuant to the exercise of option of warrant holder will be made within a reasonable time after exercise of such option.
- Identity of the Proposed Allottees and the percentage of post preferential issue capital that may be held by them:

| Name of the Proposed Allottee | No. of securities to be allotted | Existing Shareholding |      | Shareholdings Post Conversion |       | Category (Promoter/ Non - Promoter) |
|-------------------------------|----------------------------------|-----------------------|------|-------------------------------|-------|-------------------------------------|
|                               |                                  | No of shares          | %    | No of shares                  | %     |                                     |
| Satish Shorewala              | 200000                           | 83000                 | 4.19 | 283000                        | 5.66  | Promoter                            |
| S.P.Shorewala                 | 200000                           | 94800                 | 4.79 | 294800                        | 5.90  | Promoter                            |
| Neelam Shorewala              | 200000                           | 78400                 | 3.96 | 278400                        | 5.57  | Promoter                            |
| Rohith Shorewala              | 200000                           | 39200                 | 1.98 | 239200                        | 4.78  | Promoter                            |
| Santosh Shorewala             | 200000                           | 91300                 | 4.61 | 291300                        | 5.83  | Promoter                            |
| Vidhi Shorewala               | 67000                            | Nil                   | Nil  | 67000                         | 1.34  | Promoter                            |
| Jhabarmal Choudhary           | 1000000                          | Nil                   | Nil  | 1000000                       | 20.00 | Non-Promoter                        |
| Rahul Choudhary               | 953000                           | Nil                   | Nil  | 953000                        | 19.06 | Non-Promoter                        |

The Board further declare that their will not be any change in control of the management of the Company consequent to the preferential issue.

6. 6.An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so:

The Board further declares that it shall re-compute the price of the equity shares in terms of the provision of these regulations where it is required to do so and that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

7. An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

The shares to be allotted to the above investor under the proposed offering shall be subject to a lock-in of such period as specified in Regulation 76(3) and 78(5) SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.

Your Board recommends to pass the above said resolution as special resolution.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution except to the extent of their respective shareholdings and recommends the Resolution for your approval.

By order of the Board  
For **ABC Gas (International) Ltd.**

**S.P. Shorewala**  
**CHAIRMAN**

Mumbai, 22.10.2011

**Registered Office:**

1 Mahesh Villa,  
Worli, Mumbai - 400 018

**REPORT OF THE BOARD OF DIRECTORS**

To  
The Members,

Your Directors have pleasure in presenting the Thirty First Annual Report of your company together with the Audited Statements of Accounts for the year ended **31st March 2011**.

**Financial Results**

| Particular                               | (Rs. In Lacs) | (Rs. In Lacs) |
|--|---------------|---------------|
|  | 31.3.2011     | 31.3.2010     |
| Income                                   | 2394.16       | 1364.71       |
| Expenditure                              | 2372.94       | 1354.96       |
| Profit /( Loss ) for the year before Tax | 21.23         | 9.75          |
| <b>Less</b> : Provision for Income Tax   | 4.68          | 2.70          |
| Profit(loss) brought forward             | 16.54         | 6.53          |
| Transfer to Balance Sheet                | (35.15)       | (49.77)       |

**DIVIDEND**

In view of inadequate profits, Your Directors are unable to declare any dividends for the year ended **31st March 2011**

**OPERATIONS & CURRENT YEAR PROSPECTS**

During the year your company undertook installation of Reticulated Gas System at various sites. Having gained in experience for providing MEP services, your company is now bidding for various projects in plumbing, firefighting. Electrical & HUAC. Your Company is also exploring the possibility of manufacturing various gas related products & have had discussions with several European companies for possible Joint Ventures

**FIXED DEPOSITS**

The company has not taken any fixed deposits within the meaning of Section 58A of the Act from public during the year.

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 Mr. S. P. Shorewala and Mr. Chandraprakash Keshardeo Singhanian, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

**EXTENSION FOR AGM**

During the year the Company has extended the AGM date and the company has also obtain the approval of Registrar of Companies to hold the AGM upto 30/11/2011.

**AUDITORS**

The Auditors M/s. Bhuwania & Agrawal Associates, Chartered Accountants, Mumbai 400 002 hold the office until the conclusion of ensuing Annual General Meeting. Your company has received the consent of auditor to be re-appointed as the auditor of the company, if made.



**SECRETARIAL AUDIT REPORT**

Compliance Certificate required u/s 383A of the Companies Act, 1956 has obtained from a Practicing Company Secretary & is forming part of the Balance Sheet.

**CUSTODIAN AND SHARE TRANSFER AGENT**

Pursuant to the notification of the SEBI and stock exchange, the company has appointed M/s Sharex (India) Private Limited, 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001, as its custodian for dematerialization of shares and transfer of shares.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.

**CORPORATE GOVERNANCE**

The Company though not yet mandatory require complying with the provisions laid down in the Listing Agreement on corporate governance, has adhered to strict levels of corporate governance and management.

**STATUTORY INFORMATION****Particulars of Employees**

The relations remain cordial throughout the year between employees and the management. The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is **NIL**.

**Particulars under Section 217 (1) (e) of the Companies Act, 1956**

The information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is **NIL**.

The Company has earned or used foreign exchange earnings/outgoings during the year as under

|                                  |                      |
|----------------------------------|----------------------|
| <b>Foreign Exchanges Earning</b> | <b>Rs. Nil</b>       |
| <b>Foreign Exchange Outgo</b>    | <b>Rs. 1.19 lacs</b> |

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the 'Directors Responsibility Statement' and confirm that:-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the company, for that period.
- iii) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the 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.

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express their deep sense of appreciation and gratitude to all Employees, Bankers and Clients for their assistance, support and co-operation extended by them. In the end, the Directors, wish to sincerely thank all shareholders for their continued support.

By order of the Board  
for ABC Gas (International) LTD.

**S.P. SHOREWALA**  
Chairman

Place :- Mumbai,  
Date :- 22.10.2011

**ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

**A. CONSERVATION OF ENERGY**

The capacity of the plant utilized partially, so there was no need to use Generator.

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

| <b>Sr. No. Particulars</b>        | <b>31.03.2011</b> | <b>31.03.2010</b> |
|-----------------------------------|-------------------|-------------------|
| 1 Electricity                     |                   |                   |
| a. Purchased Units                | NIL               | NIL               |
| Total Amount in Rs.               | NIL               | NIL               |
| Average Rate                      | NIL               | NIL               |
| b. Own Generation                 | NIL               | NIL               |
| Unit per litre of Diesel          | NIL               | NIL               |
| Cost per unit                     | NIL               | NIL               |
| 2 Coal Specify quality where used | NIL               | NIL               |
| Quantity (Tonnes)                 | NIL               | NIL               |
| Total Cost                        | NIL               | NIL               |
| Average Cost                      | NIL               | NIL               |
| 3 Furnance oil                    | NIL               | NIL               |
| Quantity (Lits)                   | NIL               | NIL               |
| Total Amount                      | NIL               | NIL               |
| Average Rate                      | NIL               | NIL               |

**B. TECHNOLOGY ABSORPTION**

Indigenous technology is used. Continuous efforts are being made to improve the quality.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

|                                |              |
|--------------------------------|--------------|
| Total Foreign Exchange Used:   | Rs.1.19 Lacs |
| Total Foreign Exchange Earned: | NIL          |

**For And On Behalf Of Board Of Directors**

**S. P. Shorewala**  
Chairman

**Date: 22/10/2011**

**Place: Mumbai**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2011.

**INDUSTRY STRUCTURE, DEVELOPMENT:**

The Company is operating in Copper. It continues to build strong relationships with key customers.

**PERFORMANCE**

The Company is doing trading business in Copper & Copper Alloys Products. Company is looking for trying to explore the manufacturing activities for production of copper items.

**SEGMENT-WISE PERFORMANCE:**

The Company is into trading of various copper items.

**OPPORTUNITIES AND THREATS**

The fundamental growth drivers of the country's economy as well as Copper industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Copper Industry in the country is continuously attracting investments from domestic and foreign investors. The Indian economy is expected to grow between 7% to 8 % during this fiscal.

The threats to the segments in which the company operates are volatility in Exchange rate & Metal Prices.

**STRENGTH**

The existing management has a strong technical knowledge and experience in the metal industry. Mr. S P Shorewala, Chairman, Shri Satish Shorewala, Managing Directoris and Mr. Rohit Shorewala, Director are having vast knowledge and expertise in handling the business of the Company. Mr. Chandrakant Singhanian, Dr. Paras Gandhi and Mr. Arun Ganeriwala are independent and non executive directors are having vast experience and expertise in Business.

**RISKS AND CONCERNS**

Your company is concerned about the wide Fluctuations in Copper prices globally and locally and increase in foreign exchange value.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

**HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS**

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

For And On Behalf Of Board Of Directors

**S. P. Shorewala**  
Chairman

Date : 22/10/2011

Place : Mumbai

**CORPORATE GOVERNANCE REPORT****Company's Philosophy on Corporate Governance:**

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders (Banks/Financial Institutions) and the promoters.

**Board of Directors:**

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has an Executive Chairman, 2 (Two) other Executive Directors, one non executive and two independent Directors.

**Board procedures:**

The Managing Director prepares the agenda in consultation with the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are held at the Registered Office of the Company.

**Attendance at Board Meeting:**

During the year under review, the Board of Directors met 6 (Six) times on 15th May, 2010, 13th August, 2010, 1st September, 2010, 15th November, 2010, 24th January, 2011 and 12th March, 2011.

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 30th September, 2010 is given below:

| Name of Director             | Type of Director                   | Board Meeting Attended | AGM Attended | No. of Committee Memberships held (excluding Private Cos.) | No. of outside Directorships Held (excl. Private Cos.) |
|------------------------------|------------------------------------|------------------------|--------------|--|--|
| Mr. Shyamal Prasad Shorewala | Chairman                           | 6                      | Yes          | No   | 1  |
| Mr. Satish Shorewala         | Managing Director                  | 6                      | Yes          | No   | 1  |
| Mr. Rohith Shorewala         | Director                           | 6                      | Yes          | No   | 1  |
| Mr. Chandraprakash Singhania | Non Executive Independent Director | 6                      | Yes          | No   | -  |
| Mr. Paras Gnadhi             | Non Executive Independent Director | 6                      | Yes          | No   | -  |
| Mr. Arun S Ganerwal          | Non Executive Director             | 6                      | Yes          | No   | -  |

**Brief Resume of Directors seeking re-appointment:**

A brief resume of Directors seeking re-appointment at the 31st Annual General Meeting is given in notes to the Annual Report.

**Audit Committee:**

The Audit Committee consists of 3 Directors viz.

| Sl. No. | Name                         | Category of Membership |
|---------|------------------------------|------------------------|
| 1.      | Mr. Chandraprakash Singhania | Chairman               |
| 2.      | Mr. Satish Shorewala         | Member                 |
| 3.      | Mr. Paras Gandhi             | Member                 |

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.

During the year under review, the Audit Committee met 5 (Five) times on 15<sup>th</sup> May, 2010, 13<sup>th</sup> August, 2010, 1<sup>st</sup> September, 2010, 15<sup>th</sup> November, 2010 and 24<sup>th</sup> January, 2011.

The Attendance of Directors at the Audit Committee Meetings held during the year ended 31<sup>st</sup> March 2011 is given below:

| Sl. No. | Name                          | Meetings Held | Meetings Attended |
|---------|-------------------------------|---------------|-------------------|
| 1.      | Mr. Chandraprakash Singhanian | 5             | 5                 |
| 2.      | Mr. Satish Shorewala          | 5             | 5                 |
| 3.      | Mr. Paras Gandhi              | 5             | 5                 |

Shareholders/Investors Grievance and Share Transfer Committee consist of 3 Directors viz.,

| Sl. No. | Name                          | Category of Membership |
|---------|-------------------------------|------------------------|
| 1.      | Mr. Chandraprakash Singhanian | Chairman               |
| 2.      | Mr. Satish Shorewala          | Member                 |
| 3.      | Mr. Paras Gandhi              | Member                 |

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. The committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investor's complaints and the reporting of the same to the Board of Directors. Mr. Satish Shorewala is the Compliance officer.

#### **Remuneration Committee:**

The Remuneration Committee comprise of three Directors viz :

| Sl. No. | Name                          | Category of Membership |
|---------|-------------------------------|------------------------|
| 1.      | Mr. Chandraprakash Singhanian | Chairman               |
| 2.      | Mr. Satish Shorewala          | Member                 |
| 3.      | Mr. Paras Gandhi              | Member                 |

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

The Non-executive Directors are not paid commission nor the sitting fees for attending meetings of the Board or Committee thereof. All directors would sitting fees.

No Remuneration Committee Meeting held during the year ended 31st March 2011.

#### **General Body Meetings:**

(i) The particulars of Annual General Meetings held during the last three years are as under:

| Year | Date and Time                                 | Venue  |
|------|---|--|
| 2010 | 30 <sup>th</sup> September, 2010 - 10.00 a.m. | Registered Office : 1, Mahesh Villa, Worli, Mumbai - 400018  |
| 2009 | 30 <sup>th</sup> September, 2009 - 10.30 a.m. | Registered Office : 1, Mahesh Villa, Worli, Mumbai - 400018. |
| 2008 | 29 <sup>th</sup> September, 2008 - 3.30 p.m.  | Registered Office : 1, Mahesh Villa, Worli, Mumbai - 400018. |

(ii) The particulars of Extra-Ordinary General Meetings held during the last three years are as under:

| Year | Date and Time | Resolution Passed |
|------|---------------|-------------------|
| 2010 | -- N.A.--     | -- N.A.--         |
| 2009 | --N.A.--      | --N.A.--          |
| 2008 | -- N.A.--     | -- N.A.--         |

**(iii) Special Resolution passed in the previous three Annual General Meeting**

| Year | Date and Time | Resolution Passed   |
|------|---------------|---|
| 2010 | 30.9.2010     | -- N.A.--   |
| 2009 | 30.9.2009     | -- N.A.--   |
| 2008 | 29.9.2008     | Appointment of Mr. Satish Shorewala as Managing Director. |

**(iv) Postal Ballot**

The Company have no proposal to pass any special resolution by way of postal ballot.

**Disclosures:**

- Related Party Transactions: Disclosure on transaction(s) with related party as required under Accounting Standard 18 has been incorporated in the Notes to the Accounts.
- There have been no instances of non-compliance with Stock Exchange (except those related to furnishing of quarterly results and related communication) or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any statutory authority for any violation related to Capital Markets during the last three years.
- The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well as with the Regulations of the Securities and Exchange Board of India, subject to note (b) above.
- Our risk management procedures ensure that the management control risks through means of a properly defined framework.
- Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The Company's personnel have not been denied access to the Audit Committee.

**Means of Communication:**

The Quarterly Financial Results have been published in English and vernacular newspapers.

**Management discussion and Analysis Report:**

The Management Discussion and Analysis (MDA) giving an overview of the Company's business and its financial etc. is provided separately as part of this Annual Report.

**Code of Conduct:**

The code of Conduct for all the members of the Board and senior management of the Company has been prepared.

**Shareholders' Information:**

- Annual General Meeting** Date : 30<sup>th</sup> November, 2011  
Time : 10.00 a.m.  
Venue : 1, Mahesh Villa, Worli, Mumbai - 400018.
- Book Closure Date** 29<sup>th</sup> November, 2011 to 30<sup>th</sup> November, 2011
- Financial Calendar** April, 2011 to March, 2012

|  |  |
|--|--|
| Results for the quarter ending June 30, 2011                           | By 15 <sup>th</sup> August, 2011 (tentative)   |
| Results for the quarter ending September 30, 2011                      | By 15 <sup>th</sup> November, 2011 (tentative) |
| Results for the quarter ending December 31, 2011                       | By 15 <sup>th</sup> February, 2012 (tentative) |
| Results for the quarter ending 31 <sup>st</sup> March, 2012            | By 15 <sup>th</sup> May, 2012 (tentative)      |
| Annual General Meeting for financial year 31 <sup>st</sup> March, 2012 | On or before 30 <sup>th</sup> September, 2012  |

**4. Listing of Shares on Stock Exchanges**

The Equity Shares of the Company is listed on the Bombay Stock Exchange.

Stock Code: 513119

The ISIN No. of the Company is "INE173M01012"

**5. Status of Listing Fees**

The Company has paid Listing Fees for the year 2010-11 to the Bombay Stock Exchange Limited.

**6. Stock Price Data on Bombay Stock Exchange**

| Month      | High(in Rs.) | Low(in Rs.) |
|------------|--------------|-------------|
| April 2010 | -            | -           |
| May 2010   | -            | -           |
| June 2010  | -            | -           |
| July 2010  | -            | -           |
| Aug. 2010  | -            | -           |
| Sept.2010  | -            | -           |
| Oct. 2010  | -            | -           |
| Nov. 2010  | 6.35         | 6.35        |
| Dec. 2010  | -            | -           |
| Jan. 2011  | -            | -           |
| Feb. 2011  | -            | -           |
| Mar. 2011  | -            | -           |

**7. Registrar and Share Transfer Agents**

M/S Sharex India Pvt. Ltd.,  
Unit No. 1, Luthra Ind. Premises, 1st Floor, 44 E,  
M Vasanti Marg, Andheri Kurla Road, Safed Pool,  
Andheri East, Mumbai - 400072  
Phone No. 022-28515606 /28515644  
email ID: sharexindia@vsnl.com.

**8. Shareholding Pattern as on 31.03.2011**

| Category                                | No. of Shares  | Percentage |
|---|----------------|------------|
| Promoters and Persons acting in concert | 535700         | 27.06      |
| Mutual Funds                            | -              | -          |
| Financial Institutions/Banks            | -              | -          |
| Foreign Institutional Investors         | -              | -          |
| Private Corporate Bodies                | 155600         | 7.86       |
| Public                                  | 1096640        | 55.38      |
| Clearing Members                        | -              | -          |
| Others                                  | 192060         | 9.70       |
| <b>Total</b>                            | <b>1980000</b> | <b>100</b> |

## 9. Distribution Schedule As On 31.03.2011

| Holding of nominal value of Shares | No. of Shareholders | % of Shareholders | No. of Shares  | % of Shares   |
|------------------------------------|---------------------|-------------------|----------------|---------------|
| Upto 5000                          | 4989                | 93.55             | 831204         | 41.98         |
| 5001 to 10000                      | 224                 | 4.20              | 182556         | 9.22          |
| 10001 to 20000                     | 63                  | 1.18              | 96426          | 4.87          |
| 20001 to 30000                     | 16                  | 0.30              | 42966          | 2.17          |
| 30001 to 40000                     | 11                  | 0.21              | 38412          | 1.94          |
| 40001 to 50000                     | 04                  | 0.08              | 18810          | 0.95          |
| 50001 to 100000                    | 10                  | 0.19              | 74844          | 3.78          |
| 100001 & above                     | 16                  | 0.30              | 694782         | 35.09         |
| <b>Total</b>                       | <b>5333</b>         | <b>100.00</b>     | <b>1980000</b> | <b>100.00</b> |

## 10. Percentage of Shares held in physical &amp; dematerialized form:

As on 31<sup>st</sup> March 2011, all Shares are in physical form.

## 11. Address for Correspondence:

1, Mahesh Villa, Worli, Mumbai - 400018

email: pipedgas@gmail.com



To

The Board of Directors  
ABC Gas (International) Limited  
Mumbai

**Certification of Financial Results for the period ended 31st March, 2011.**

We have reviewed the financial statements and cash flow statement for the said period and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's and are in compliance with existing accounting standards, applicable laws & regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and we have evaluated

the effectiveness of the internal control systems of the company and we have disclosed to the auditors, and to the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

There are no :

- (i) significant changes in internal control during the period.
- (ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

We have fully complied with Accounting manual of the Company and reviewed very carefully the checklists prepared by the Company.

**For And On Behalf Of Board Of Directors**

**Date: 22nd October, 2011**  
**Place: Mumbai**

**Sd/-**  
**S.P.SHOREWALA**  
**Chairman**

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
ABC Gas (International) Limited  
Mumbai

We have examined the compliance of conditions of Corporate Governance by **ABC GAS (INTERNATIONAL) LIMITED** for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review the procedures 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 according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement except in certain cases delay in filing quarterly reports with the Stock Exchange.

We further state that such compliance certificate 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.

**Anish Gupta & Associates  
Company Secretaries**

**Anish Gupta  
Proprietor  
CP No. 4092**

Place: Mumbai  
Date : 22<sup>nd</sup> October, 2011

**Compliance Certificate**

Registration No. : 11- 022118  
Nominal Capital : Rs. 2,50,00,000/-  
Paid up Capital : Rs. 1,98,00,000/-

To,

**The Members****ABC Gas (International) Limited****Mumbai**

We have examined the registers, records, books and papers of **M/s ABC GAS (INTERNATIONAL) LIMITED (Previously known as Brassco Extrusions Limited) having its Registered Office situated at 1 Mahesh Villa, Worli, Mumbai - 400 018.** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2011 (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Acts and rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time limit prescribed under the Act and rules made thereunder.
3. The company being a Public limited company has the minimum paid-up capital.
4. The Board of Directors duly met 6 (Six) times respectively on 15.5.2010, 13.8.2010, 1.9.2010, 15.12.2010, 24.1.2011 and 12.3.2011 in respect of these meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 29th September, 2010 to 30th September, 2010 in accordance with the provision of Section 154 of the Companies Act, 1956 during the financial year under review.
6. The Annual General Meeting for the Financial Year ended 31st March, 2010 was held on 30th September, 2010 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary meeting(s) were held during the financial year under review.
8. The company has not given any fresh loan to firms and companies in which directors are interested referred to in the Section 295 of the Act.
9. The company has complied with the necessary provisions and procedures wherever necessary in respect of transaction to which the provisions of section 297 of the Act are applicable.
10. The company has made necessary entries in the register as required under section 301 of the Act.
11. As there were no instances falling under the preview of Section 314 of the Act, the Company has not obtained any approvals from its Directors, members or the Central Government as the case may be.
12. The Company has not issued duplicate share certificates during the financial year under review.
13. The Company has:
  - (i) dispatched the certificates on lodgment of securities for transfer in accordance with the provisions of the Act.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year under review.
  - (iii) not posted warrants to any member of the company as no dividend was declared during the financial year under review.
  - (iv) the company is not required to transfer amounts in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as the company do not have any of the amount lying in any of the above referred five accounts.
  - (v) duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of any additional directors, alternate directors and directors to fill casual vacancies during the year under review.
15. The company has not appointed any managerial persons during the period under review pursuant to section 269 read with Schedule XIII under the Act.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, the Registrar of Companies or such other authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms and companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares or other securities during the financial year under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2011.
21. There was no redemption of preference shares or debentures during the financial year under review.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any fresh deposits including any unsecured loans falling within the purview of Section 58A during the financial year under review.
24. The borrowing made during the financial years by the Company is within the limit as prescribed by the provisions of section 293(1)(d) of the Act.
25. The company has made investments in other bodies corporate in compliance with section 372A of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The company has not altered its articles of association during the financial year under review.
31. The Company has received notice from the Court of the Add. Chief Metropolitan Magistrate, IIIrd Court, Mumbai in respect of non compliance of Section 234(1) for which the show cause notice was served by the Roc in 1997. However the Company has already got the violation compounded in the year 2001 from the Regional Director, Western Region, Mumbai. The Company has submitted the relevant documents and information to the Registrar of Companies for the purpose of withdrawal of application from the Court. The Company has also received notice from the ROC dated 08.07.2010 for non filing of returns of previous year. The company has filed the returns with the Roc pending for the previous years.
32. The company has not received any amount as security from its employees during the financial year under certification.
33. The company has not deducted any contribution towards Provident Fund during the financial year under review.

**For Anish Gupta & Associates  
Company Secretaries**

**Mumbai,  
22<sup>nd</sup> October, 2011**

**Anish Gupta  
Proprietor  
CP No. 4092**

**Annexure A****Registers maintained by the Company**

1. Register of Members u/s 150 of the Act.
2. Register and Returns u/s 163 of the Act.
3. Books of Accounts and other Records u/s 209 of the Act.
4. Register of Directors u/s 303 of the Act.
5. Register of Directors' Shareholding u/s 307 of the Act.
6. Register of Contracts u/s 301.
7. Register of Loans and Investments.
8. Register of Charges.

**Annexure B**

Forms and Returns as filed by the company with the Registrar of Companies, Maharashtra, Mumbai during the financial year ended on 31st March, 2011.

| Sr. No. | Form No./ Return | Filed under Section | For        | Srn. No.  | Date of filing | Whether filed within prescribed time yes/no | If delay in filing whether requisite additional fee paid Yes/No. |
|---------|------------------|---------------------|------------|-----------|----------------|---|--|
| 01.     | Form 32          | 303(2)              | 30.9.2010  | A73015406 | 19.11.2010     | No  | Yes  |
| 02      | Form 23AC/ACA    | 220                 | 31.03.2009 | P49723034 | 17.08.2010     | No  | Yes  |
| 03      | Form 20B         | 159                 | 30.09.2009 | P66556044 | 31.03.2011     | No  | Yes  |
| 04      | Form 66          | 383(A)              | 31.03.2009 | P49668775 | 16.08.2010     | No  | Yes  |
| 05      | Form 20B         | 159                 | 30.09.2008 | P66553702 | 17.03.2011     | No  | Yes  |
| 06      | Form 23AC/ACA    | 220                 | 31.03.2008 | P48920920 | 22.07.2010     | No  | Yes  |
| 07      | Form 66          | 383(A)              | 31.03.2008 | P48909402 | 22.07.2010     | No  | Yes  |

**For Anish Gupta & Associates  
Company Secretaries**

**Mumbai,  
22<sup>nd</sup> October, 2011**

**Anish Gupta  
Proprietor  
CP No. 4092**

**AUDITORS' REPORT TO THE MEMBERS**

- i) We have audited the attached Balance Sheet of M/S ABC GAS (INTERNATIONAL) LTD. , as at 31st March 2011, and the Profit and 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.
- ii) We conduct 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
- iii) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- iv) Further to our comments in the annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the attached Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except non-provision of Gratuity as referred in Point.No.4 of notes of Accounts.
  - e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as Directors in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principle generally accepted in India, subject to note No.4 .of Notes of account regarding non provision of gratuity and the exact quantum of such non provision is not ascertainable.
    - i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2011;
    - ii. In the case of the Profit and Loss Account of the Profit for the year ended on that date.
    - iii. In the case of Cash Flow statement of the cash flow for the year ended on that date

**For Bhuwania & Agrawal Associates**  
(Chartered Accountants)  
(Regn.No.101483W)

(Partner)  
**(Niranjankumar Agrawal)**  
M.NO. 34659

Place - Mumbai  
Date - 22/10/2011

**ANNEXURE TO THE AUDITOR'S REPORT**

Statement referred to in paragraph iii) of the Auditors Report of even date to the Members of **M/S ABC GAS (INTERNATIONAL) LTD** on the accounts for the year ended 31st March 2011

As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of Section 227 (4A) of the companies Act, 1956, and on the basis of such checks as consider appropriate and as per the information and explanations given to us during the course of the audit.

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b) As per the information and explanations given to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
  - c) None of the fixed assets have been disposed off during the year.
2. In respect of its inventory:
  - i. As explain to us, the inventories were physically verified during the year by management at reasonable intervals.
  - ii. In our opinion and according to information and explanation given to us , the procedure of physical verification of inventories followed by management were reasonable and adequate in relation to the size of the company and the nature of business.
  - iii. In our opinion and according to information and explanation given to us , the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
3. In respect of the loans, secured or unsecured, granted by the company to companies, firms, and other parties covered in register under section 301 of the companies Act.1956 according to information and explanation given to us
  - I) The Company has granted loan unsecured to the companies, firm & other parties covered in register maintained u/s.301 of the companies act, 1956,during the year under review, details are as under
 

| No. of Account | Amount<br>Of Loan | Maximum<br>Outstanding | Closing<br>Balance |
|----------------|-------------------|------------------------|--------------------|
| <b>1</b>       | <b>66.77 Lacs</b> | <b>61.32 Lacs</b>      | <b>61.32 Lacs</b>  |
  - i) The rate of interest and the other terms and conditions of loan given by the company are not prima-facie prejudicial to the interest of the company.
  - ii) Receipts of principal amount are on regular basis.
  - iii) As informed to us no amount in excess of Rs.One Lac are overdue for payment of the principal and interest.

- II) The company has taken unsecured loan from companies covered in the register maintained U/s.301 of companies act, 1956, during the year under review, Details are as under:

| No. of Account | Amount<br>Of Loan | Maximum<br>Outstanding | Closing<br>Balance |
|----------------|-------------------|------------------------|--------------------|
| <b>5</b>       | <b>13.55 Lacs</b> | <b>40.98 Lacs</b>      | <b>3.44 Lacs</b>   |

- i) The rate of interest and the other terms and conditions of loan taken are not prima-facie prejudicial to the interest of the company.
- ii) The company is regular in paying the principal amount and interest as stipulated, if any.
- iii) As informed to us no amount in excess of Rs.One Lac are overdue for payment of the principal and interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not come across with the continuing major weakness in the internal control procedure.
5. i) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 have been so entered.
- ii) In our opinion and according to the information and explanations give to us, there was no transaction made in pursuance exceeding the value of five lacs rupees in respect of any parties during the year
6. The Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence, the Clause (vi) of the order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of the cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the company's product
9. i) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except provident fund and ESIC which was not deducted and deposited. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable .
- ii) According to the records of the Company, the dues of Sales Tax / Income Tax / Custom Duty / Service Tax /Wealth Tax / Excise Duty / Cess, which has not been deposited on account of disputes and the forum where the dispute is pending, are as under: Nil
10. The Company having accumulated loss of Rs 3514733/- as on 31st March 2011. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. There is no default in repayment of dues to financial institution or bank during the year.



12. Based on our examination of the records and the information given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the Order is not applicable to the company as the Company is not a chit fund Company or nidhi / mutual benefit fund / societies.
14. The clause (xiv) of the order is not applicable to the Company, as the company is not dealing in shares, securities, debentures and other investment during the year under review.
15. According to the information and explanations given to us, the Company has given corporate guarantee for loans taken by others from banks or financial institution.
16. According to the information and explanations given to us, the company has not been raised any term loan during the year
17. In our opinion and according to information and explanations, no short-term fund has been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. During the year covered by our audit report, the Company has not issued secured debentures.
20. The Company has not raised any money by public issues during the year covered by our report.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Bhuwania & Agrawal Associates**

(Chartered Accountants)

(Regn.No.101483W)

(Partner)

**(Niranjankumar Agrawal)**

M.NO. 34659

**Place - Mumbai**

**Date - 22/10/2011**

## Balance Sheet As At 31.03.2011

| Particulars  | Sch. | Current Year<br>Amounts (Rupees)                  | Previous Year<br>Amounts (Rupees) |
|--|------|---|-----------------------------------|
| <b>SOURCES OF FUNDS</b>  |      |   |                                   |
| <u>Shareholders Funds</u>  |      |   |                                   |
| Share Capital  | 1    | 19,800,000  | 19,800,000                        |
| Reserve & Surplus  | 2    | 1,197,363   | 1,268,481                         |
| <u>Loan Funds</u>  |      |   |                                   |
| Unsecured Loans  | 3    | 344,079   | 3,352,953                         |
| Deffered Tax Liabilities   |      | 381,554   | 435,829                           |
|  |      | <b>21,722,996</b>                                 | <b>24,857,263</b>                 |
| <b>APPLICATION OF FUND</b>   |      |   |                                   |
| <u>Fixed Assets</u>  |      |   |                                   |
| Gross Block  | 4    | 4,617,465   | 4,593,965                         |
| Less : Depreciation  |      | 2,766,050   | 2,621,997                         |
| Net Block  |      | 1,851,415   | 1,971,968                         |
| <u>Investments</u>   |      |   |                                   |
|  | 5    | 5,675,440   | 5,675,440                         |
| <u>Current Assets &amp; Liabilities</u>  |      |   |                                   |
| Current Assets   | 6    | 115,304,845                                       | 50,256,090                        |
| Loan & Advances  | 7    | 15,063,411  | 2,900,001                         |
|  |      | 130,368,256                                       | 53,156,091                        |
| <b>Less : Current Liabilities &amp; Provision</b>  | 8    | 119,686,848                                       | 40,923,016                        |
| Net Assets   |      | 10,681,408  | 12,233,075                        |
| <u>Miscellaneous Expenditure</u>   |      |   |                                   |
| Profit & Loss Account  |      | 3,514,733   | 4,976,780                         |
|  |      | <b>21,722,996</b>                                 | <b>24,857,263</b>                 |
| Notes Forming Part of Accounts   | 14   |   |                                   |
| <p><b>As per our attached report of even date</b><br/> <b>For Bhuwania &amp; Agrawal Associates</b><br/> <b>Chartered Accountants</b><br/> <b>( Firm Regd No. 101483W)</b></p> |      |   |                                   |
|  |      | <b>S.P. Shorewala</b><br>(Director)               |                                   |
| <p><b>N.K.Agrawal</b><br/>Partner</p>  |      | <p><b>S.Shorewala</b><br/>(Managing Director)</p> |                                   |
|  |      | <b>Paras Gandhi</b><br>(Director)                 |                                   |
| <p>Place : Mumbai<br/>Date : 22/10/2011</p>  |      |   |                                   |

## Profit &amp; Loss Account for the Year Ended 31st March 2011

| Particulars  | Sch. | Current Year<br>Amounts (Rupees)           | Previous Year<br>Amounts (Rupees)  |
|--|------|--|------------------------------------|
| <b>Income</b>  |      |  |                                    |
| Sales Domestic   |      | 236,562,701                                | 135,356,722                        |
| Other Income   | 9    | 2,853,487                                  | 1,114,001                          |
|  |      | <b>239,416,188</b>                         | <b>136,470,723</b>                 |
| <b>Expenditure</b>   |      |  |                                    |
| Cost Of Goods Sold   | 10   | 231,270,897                                | 131,250,833                        |
| Labour Charges   |      | 809,675                                    | 433,525                            |
| Payment & Benefit to Employees   | 11   | 1,336,887                                  | 1,447,242                          |
| Administrative Selling & Other Expenses  | 12   | 2,407,713                                  | 1,519,212                          |
| Finance Charges  | 13   | 1,324,397                                  | 669,157                            |
| Depreciation   |      | 144,053                                    | 175,647                            |
|  |      | <b>237,293,622</b>                         | <b>135,495,616</b>                 |
| <b>Profit/(Loss) before Taxation</b>   |      | <b>2,122,566</b>                           | <b>975,107</b>                     |
| Less : Provision for Income Tax  |      | 468,305                                    | 270,000                            |
| Less : Provision for Doubtful Debt   |      | 309,366                                    | -                                  |
| Add : Transfer from Capital Reserve<br>(On account of Revaluation Reserve )  |      | 71,118                                     | 71,118                             |
| Add : Deferred Tax Credit  |      | 54,275                                     | 41,894                             |
| Less : Previous Year Adjustment / Expenses   |      | 7,135                                      | 147,209                            |
| Less : (Excess)/Short Provision of Tax in earlier year   |      | 1,106                                      | 17,259                             |
| <b>Profit/(Loss) after Tax</b>   |      | <b>1,462,047</b>                           | <b>653,651</b>                     |
| Add : Transfer from General Reserve  |      |  | 1,017,855                          |
| Less/(Add) : Brought forward Loss  |      | 4,976,780                                  | 6,648,286                          |
| Net Loss Carried Forward to Balance Sheet  |      | <b>3,514,733</b>                           | <b>4,976,780</b>                   |
| Earning Per Share  |      | 0.71                                       | 0.33                               |
| Notes Forming Part of Accounts   | 14   |  |                                    |
| <p><b>As per our attached report of even date<br/>For Bhuwania &amp; Agrawal Associates<br/>Chartered Accountants<br/>( Firm Regd No. 101483W)</b></p> |      |  |                                    |
|  |      | <b>S.P. Shorewala<br/>(Director)</b>       |                                    |
| <b>N.K.Agrawal<br/>Partner</b>   |      | <b>S.Shorewala<br/>(Managing Director)</b> | <b>Paras Gandhi<br/>(Director)</b> |
| <p>Place : Mumbai<br/>Date : 22/10/2011</p>  |      |  |                                    |

## Schedules Forming Part of Balance Sheet as at 31st March 2011

| Particulars  | Current Year<br>Amounts (Rupees) |                  | Previous Year<br>Amounts (Rupees) |                  |
|--|----------------------------------|------------------|-----------------------------------|------------------|
|  |                                  |                  |                                   |                  |
| <b>Schedule 1</b>  |                                  |                  |                                   |                  |
| <b>Share Capital</b>                                       |                                  |                  |                                   |                  |
| <b>Authorised Capital</b>                                  |                                  |                  |                                   |                  |
| 25,00,000 Equity Shares of Rs. 10 each                     |                                  | 25,00,000        |                                   | 25,00,000        |
| <b>Issued Subscribed and paid up</b>                       |                                  |                  |                                   |                  |
| 19,80,000 Equity share of Rs. 10 each fully paid.          |                                  | 19,80,000        |                                   | 19,80,000        |
|  |                                  | <b>19,80,000</b> |                                   | <b>19,80,000</b> |
| <b>Schedule 2</b>  |                                  |                  |                                   |                  |
| Capital Reserve B/F<br>(On revaluation of Land & Building) | 1,268,481                        |                  | 1,339,599                         |                  |
| Less: Transferred to Profit & Loss Account (Refer Note 2)  | 71,118                           | 1,197,363        | 71,118                            | 1,268,481        |
|  |                                  | <b>1,197,363</b> |                                   | <b>1,268,481</b> |
| <b>Schedule 3</b>  |                                  |                  |                                   |                  |
| Unsecured Loans  |                                  |                  |                                   |                  |
| From Promoters / Directors                                 | 271,347                          |                  | 3177731                           |                  |
| From Intercorporate  | 72,732                           | 344,079          | 175222                            | 3,352,953        |
|  |                                  | <b>344,079</b>   |                                   | <b>3,352,953</b> |

**Schedule - 4****Fixed Assests**

(Amounts in Rupees)

| Sr. No. | Particulars               | Rate of Depreciation | Cost as on 1/4/2010 | Additions during the Year | Total Cost Upto 31/3/2011 | Depreciation upto 1/4/2010 | Depreciation for the Year | Total Depreciation upto 31/3/2011 | Net Block as at 31/3/2011 | Net Block as at 31/3/2010 |
|---------|---------------------------|----------------------|---------------------|---------------------------|---------------------------|----------------------------|---------------------------|-----------------------------------|---------------------------|---------------------------|
| 1       | Land at Dombivli          | 0.00%                | 427,500             | -                         | 427,500                   | -                          | -                         | -                                 | 427,500                   | 427,500                   |
| 2       | Factory Building          | 3.34%                | 3,242,490           | -                         | 3,242,490                 | 1,967,171                  | 108,299                   | 2,075,470                         | 1,167,020                 | 1,275,319                 |
| 3       | Furniture & Fixture       | 6.33%                | 239,673             | -                         | 239,673                   | 219,367                    | 1,470                     | 220,837                           | 18,836                    | 20,306                    |
| 4       | Office Equipment          | 4.75%                | 450,384             | 23,500                    | 473,884                   | 271,043                    | 13,607                    | 284,650                           | 189,234                   | 179,341                   |
| 5       | Computer                  | 16.21%               | 233,918             | -                         | 233,918                   | 164,416                    | 20,677                    | 185,093                           | 48,825                    | 69,502                    |
|         | <b>Total Current Year</b> |                      | <b>4,593,965</b>    | <b>23,500</b>             | <b>4,617,465</b>          | <b>2,621,997</b>           | <b>144,053</b>            | <b>2,766,050</b>                  | <b>1,851,415</b>          | <b>1,971,968</b>          |
|         | Total Previous Year       |                      | 4,831,193           | 26,922                    | 4,593,965                 | 2,710,500                  | 175,647                   | 2,621,997                         | 1,971,968                 | 2,120,693                 |

## Schedules Forming Part of Balance Sheet as at 31st March 2011

| Particulars  | Current Year<br>Amounts (Rupees) |                    | Previous Year<br>Amounts (Rupees) |                   |
|--|----------------------------------|--------------------|-----------------------------------|-------------------|
|  |                                  |                    |                                   |                   |
| <b>Schedule 5</b>  |                                  |                    |                                   |                   |
| <b>Investment</b>  |                                  |                    |                                   |                   |
| In Government Securities ( At Cost )   |                                  |                    |                                   |                   |
| Kisan Vikas Patra  |                                  | 5,000              |                                   | 5,000             |
| In Residential Building ( For Sale )   |                                  | 782,440            |                                   | 782,440           |
| <b>Unquoted share</b>  |                                  |                    |                                   |                   |
| 2, 44,400 Share of A B C Tube Industries Ltd<br>Face Value Rs10/- each   |                                  | 4,888,000          |                                   | 4,888,000         |
|  |                                  | <b>5,675,440</b>   |                                   | <b>5,675,440</b>  |
| <b>Schedule 6</b>  |                                  |                    |                                   |                   |
| <b>Current Assets</b>  |                                  |                    |                                   |                   |
| <b>(A) Stock in Trade</b> (As taken valued and certified by Management)  |                                  |                    |                                   |                   |
| Raw Materials (At Lower of Cost or Market Value)   |                                  | -                  |                                   | 849,107           |
| Finished Goods (At Lower of Cost or Market Value)  |                                  | 16,259,335         |                                   | 12,500,589        |
| W.I.P. (Poona Project)   |                                  | 852,066            |                                   | 1,325,900         |
|  |                                  | <b>17,111,401</b>  |                                   | <b>14,675,596</b> |
| <b>(B) Sundry Debtors</b> (Unsecured considered Good)  |                                  |                    |                                   |                   |
| More than six months   |                                  |                    |                                   |                   |
| Considered Doubtful Debt   | 309366                           |                    |                                   |                   |
| Less : Provision Made  | 309366                           | Nil                |                                   |                   |
| Considered Good  |                                  | 255,081            |                                   | 489,298           |
| Others   |                                  | 96,298,218         |                                   | 31,903,025        |
| <b>(Includes Rs. Nil Lacs (Pr. Yr. Rs. 0.02 Lacs) Company<br/>in which Director's &amp; Relatives of Directors are interested)</b> |                                  |                    |                                   |                   |
|  |                                  | <b>96,553,299</b>  |                                   | <b>32,392,323</b> |
| <b>(C) Cash and Bank Balances</b>  |                                  |                    |                                   |                   |
| Cash in hand   |                                  | 465,515            |                                   | 320,495           |
| In Current Account.  |                                  | 1,170,526          |                                   | 2,867,676         |
| FDR With HDFC Bank Ltd   |                                  | 4,104              |                                   | -                 |
|  |                                  | <b>1,640,145</b>   |                                   | <b>3,188,171</b>  |
| <b>Total (A+B+C)</b>   |                                  | <b>115,304,845</b> |                                   | <b>50,256,090</b> |
| <b>Schedule 7</b>  |                                  |                    |                                   |                   |
| <b>Loans and Advances</b>  |                                  |                    |                                   |                   |
| <b>(Unsecured, considered good unless otherwise stated,<br/>recoverable in cash or in kind for the value to received)</b>          |                                  |                    |                                   |                   |
| Short Term Loan  |                                  | 7,731,881          |                                   | 2,300,000         |
| Deposits with Government and others  |                                  | 573,206            |                                   | 129,386           |
| Advance to Suppliers   |                                  | 6,553,297          |                                   | 47,814            |
| Others   |                                  | 205,027            |                                   | 422,801           |
| <b>Total</b>   |                                  | <b>15,063,411</b>  |                                   | <b>2,900,001</b>  |

## Schedules Forming Part of Balance Sheet as at 31st March 2011

| Particulars   | Current Year<br>Amounts (Rupees) |                    | Previous Year<br>Amounts (Rupees) |                    |
|---|----------------------------------|--------------------|-----------------------------------|--------------------|
|   |                                  |                    |                                   |                    |
| <b>Schedule 8</b>   |                                  |                    |                                   |                    |
| <b>Current Liabilities and provisions</b>                 |                                  |                    |                                   |                    |
| Sundry Creditors for supplier, Goods, Services & expenses |                                  | 111,549,264        |                                   | 33,106,264         |
| Other Liabilities   |                                  | 1,419,442          |                                   | 1,457,820          |
| Advance From Customers                                    |                                  | 6,249,837          |                                   | 6,088,932          |
|   |                                  | <b>119,218,543</b> |                                   | <b>40,653,016</b>  |
| <b>Provisions</b>   |                                  |                    |                                   |                    |
| for Income Tax  |                                  | <b>468,305</b>     |                                   | <b>270,000</b>     |
|   |                                  | <b>468,305</b>     |                                   | <b>270,000</b>     |
|   |                                  |                    |                                   |                    |
| <b>Total</b>  |                                  | <b>119,686,848</b> |                                   | <b>40,923,016</b>  |
| <b>Schedule 9</b>   |                                  |                    |                                   |                    |
| <b>Other Income</b>                                       |                                  |                    |                                   |                    |
| Interest Received   |                                  | 404,736            |                                   | 175,088            |
| Godown Compansation Charges                               |                                  | 2,400,000          |                                   | 920,000            |
| Foreign Exchange Fluctuations                             |                                  | 3,900              |                                   | 18,913             |
| Mis.Credit Bal. W/off                                     |                                  | 44,851             |                                   |                    |
|   |                                  | <b>2,853,487</b>   |                                   | <b>1,114,001</b>   |
| <b>Schedule 10</b>  |                                  |                    |                                   |                    |
| Cost Of Goods Sold  |                                  |                    |                                   |                    |
| Opening Stock   |                                  |                    |                                   |                    |
| Raw Materials   | 849,107                          |                    | 849,107                           |                    |
| Finished Goods  | 12,500,589                       | 13,349,696         | 10,874,756                        | 11723863           |
| W.I.P   |                                  |                    |                                   | 442,044            |
|   |                                  | 13,349,696         |                                   | 12,165,907         |
| Add : Import Purchases                                    | -                                |                    | 2,911,139                         |                    |
| Domestic Purchases  | 234,646,781                      | 234,646,781        | 130,849,383                       | 133,760,522        |
|   |                                  | 247,996,477        |                                   | 145,926,429        |
| Less : Closing Stock                                      |                                  |                    |                                   |                    |
| Raw Materials   | -                                |                    | 849,107.00                        |                    |
| Finished Goods  | 16,259,335                       | 16,259,335         | 12,500,589.00                     | 13,349,696.00      |
| W.I.P   |                                  | 466,245            |                                   | 1,325,900.00       |
|   |                                  | 16,725,580         |                                   | 14,675,596         |
|   |                                  | <b>231,270,897</b> |                                   | <b>131,250,833</b> |

## Schedules Forming Part of Balance Sheet as at 31st March 2011

| Particulars  | Current Year<br>Amounts (Rupees)         |                  | Previous Year<br>Amounts (Rupees)         |                  |
|--|--|------------------|---|------------------|
| <b>Schedule 11</b>                                 |  |                  |   |                  |
| <b>Payment and Benefit to Employee</b>             |  |                  |   |                  |
| Salary and allowance                               |  | 1,278,394        |   | 1,410,769        |
| Staff Welfare                                      |  | 36,922           |   | 26,298           |
| Medical Expenses                                   |  | 13,252           |   | 10,175           |
| Insurance for Staff                                |  | 8,319            |   |                  |
|  |  | <b>1,336,887</b> |   | <b>1,447,242</b> |
| <b>Particulars</b>                                 | <b>Current Year<br/>Amounts (Rupees)</b> |                  | <b>Previous Year<br/>Amounts (Rupees)</b> |                  |
| <b>Schedule 12</b>                                 |  |                  |   |                  |
| <b>Administrative Selling &amp; Other Expenses</b> |  |                  |   |                  |
| Conveyance Expenses                                |  | 176,731          |   | 164,567          |
| Travelling Expenses                                |  | 151,405          |   | 75,829           |
| Printing & Stationery                              |  | 33,027           |   | 98,073           |
| Postage & Courier                                  |  | 22,692           |   | 22,484           |
| Listing Fees                                       |  | 15,510           |   | 11,030           |
| Legal & Professional Fees                          |  | 273,377          |   | 52,387           |
| Motor car Expenses                                 |  | 305,250          |   | 192,786          |
| Auditor Remuneration                               |  | 33,090           |   | 33,090           |
| Repairs & Maintenance                              |  | 38,752           |   | 63,455           |
| Advertisement and Exhibition                       |  | 266,199          |   | 28,566           |
| Miscellaneous & General Exp.                       |  | 7,025            |   | 4,735            |
| Telephone & Telex                                  |  | 48,345           |   | 61,331           |
| Rent Paid  |  | 224,500          |   | 108,000          |
| Commission Paid                                    |  | -                |   | 110,000          |
| Sales Promotion                                    |  | 147,570          |   | 2,567            |
| Gardening Expenses                                 |  | 42,000           |   | 36,000           |
| Freight & Octroi Charges                           |  | 40,099           |   | 68,677           |
| Insurance  |  | 11,301           |   | 28,234           |
| Inspection Charges                                 |  | 17,869           |   | 41,692           |
| Company Profession tax                             |  | 2,500            |   | 2,500            |
| Water Charges                                      |  | 49,243           |   | 60,840           |
| Electricity Expenses                               |  | 4,400            |   | 29,918           |
| Site Expenses                                      |  | 249,910          |   | 143,152          |
| Foreign Travelling ( Directors)                    |  | 243,918          |   | 65,775           |
| Foreign Exchang Fluctuation                        |  | -                |   | 13,524           |
| Internet Charges                                   |  | 3,000            |   | -                |
|  |  | <b>2,407,713</b> |   | <b>1,519,212</b> |
| <b>Schedule 13</b>                                 |  |                  |   |                  |
| <b>Finance Charges</b>                             |  |                  |   |                  |
| Bank Charges                                       |  | 8,986            |   | 15,214           |
| Bill Discounting Charges                           |  | 1,311,108        |   | 653,943          |
| Interest Paid                                      |  | 4,303            |   |                  |
|  |  | <b>1,324,397</b> |   | <b>669,157</b>   |

**Schedule - 14****Notes on Accounts forming part of Accounts for the Year Ended 31st March 2011.****1. Significant accounting policies of the Company.****A. System of Accounting:-**

- i. The company generally follows the accrual basis of accounting both as to income & expenditure except having significant uncertainties.
- ii. Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

**B. Fixed Assets: -**

Fixed assets are stated at cost less accumulated depreciation. All direct expenses attributable to fixed assets are capitalized.

**C. Depreciation:-**

Depreciation of fixed assets has been provided on the straight-line method rate applicable as per schedule XIV of the Companies Act, 1956. and Pro-rata in case of addition / disposal of fixed assets during the year.

**D. Sales: -**

Sales are recorded exclusive of Excise duty & Sales Tax.

**E. Investments:-**

Investments are valued at cost of acquisition

**F. Inventory valuation:-**

- i. Finished goods are valued at lower of cost or Net realizable value.
- ii. Raw materials are valued at cost or market value whichever is lower.
- III. Work in progress - Projects under work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**G. Gratuity: -**

Gratuity is being accounted on cash basis.

**H. Provision and Contingencies: -**

Provision is recognized when the company has a part.

**I. Taxes on Income**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted by the balance Sheet date.

2. Depreciation charge and revalued amount of assets is adjusted from capital reserve..
3. Shares Refund Account has been credited short by Rs. 9500 (previous year Rs. 9500).
4. No Provision of Gratuity and Other Retirement benefit has been provided during the year. amount being unascertained.
5. Sundry debtors, Loans & Advances & Sundry Creditors are subject to confirmation from concerned parties.
6.
  - a) In the opinion of the management the provision for all liabilities are adequate.
  - b) The current assets are shown in Balance Sheet at their realizable values.
  - c) All the expenses paid/provided have been duly incurred for the purpose of the business of the Company.



**7 Related Parties Disclosure:-**

| Name of Party                    | Relationship                  | Nature of Transaction   | Amount            | Outstanding Amount |
|----------------------------------|-------------------------------|-------------------------|-------------------|--------------------|
| M/s.ABC Tube Industries Ltd      | Under same management company | Purchases<br>Loan Given | 490682<br>6676762 | 6131881Cr.         |
| M/s. Sincere Distributors P.Ltd. | Under same management company | Loan Taken              | NIL               | 72732Cr.           |
| Mr. Satish Shorewala             | Director                      | Loan Taken              | 135000            | 46125Cr.           |
| Mr. Satish Shorewala             | Director                      | Car Hire Charges        | 138000            | 138000Cr.          |
| Mr. S.P.Shorewala                | Director                      | Loan Taken              | 550000            | 225222Cr.          |

**8 Additional information :-**

- A) Expenditure on employees throughout the year on aggregate remuneration of at least Rs. 2400000 or employed for part of the year on an aggregate remuneration of Rs. 200000 per month NIL (previous year - NIL).
- B) Quantitative Information
- License and or installed capacity - not determined.
  - Particulars in respect of working activities

|                 |      | Opening Stock |               | Purchases |               | Sales  |               | Closing Stock |               |
|-----------------|------|---------------|---------------|-----------|---------------|--------|---------------|---------------|---------------|
|                 |      | Qty           | Value in Lacs | Qty       | Value in Lacs | Qty    | Value in Lacs | Qty In MT/PCS | Value in Lacs |
| Copper Wire Bar | Unit |               |               |           |               |        |               |               |               |
|                 | M.T  | 11.703        | 8.49          | 0         | 0             | 11.703 | 8.49          | 0             | 0             |

|                                  |      | Opening Stock |               | Purchases |               | Sales    |               | Closing Stock |               |
|----------------------------------|------|---------------|---------------|-----------|---------------|----------|---------------|---------------|---------------|
|                                  |      | Qty           | Value in Lacs | Qty       | Value in Lacs | Qty      | Value in Lacs | Qty In MT/PCS | Value in Lacs |
| Finished Goods (Principal Items) | Unit |               |               |           |               |          |               |               |               |
| Copper Fittings                  | Nos. | 91774         | 35.59         | 3235      | 0.31          | 665      | 1.74          | 94344         | 34.70         |
|                                  |      |               |               | (31292)   | (4.35)        | (865)    | (0.73)        | (91774)       | (35.59)       |
| Copper Tube                      | M.T. | 0.126         | 0.36          | 1038      | 4.67          | 1038     | 4.93          | 0.126         | 0.36          |
|                                  |      |               | (12.18)       | --        | --            | (4.17)   | (10.01)       | (0.126)       | (0.36)        |
| Copper Pipe                      | M.T. | 3.70          | 12.28         | 520.05    | 2329.85       | 516.50   | 2335.11       | 7.25          | 32.41         |
|                                  |      |               |               | (390.13)  | (1297.12)     | (392.79) | (1331.63)     | (3.70)        | (12.28)       |
| Brass Fittings                   | Nos. | 6720          | 0.97          | 555       | 0.32          | 82       | 0.04          | 7193          | 1.28          |
|                                  |      |               | (0.78)        | (1000)    | (0.19)        | --       | --            | (6720)        | (0.97)        |
| Copper Tube                      | Nos. | 0.00          | 0.00          | 3235      | 0.77          | --       | --            | 3235          | 0.77          |
|                                  |      |               |               | --        | --            | --       | --            | --            | --            |
| Copper Pipe-Delhi                | M.T. | 0.00          | 0.00          | 2.05      | 9.75          | 0.35     | 1.87          | 1.70          | 8.07          |
|                                  |      |               |               | --        | --            | --       | --            | --            | --            |
| Gas Products                     | Nos. | 0.00          | 0.00          | 50611     | 12.1          | 4559     | 10.58         | 46052         | 9.78          |
| Ball Valves                      | Nos. | 2107          | 3.62          | 18        | 0.17          | 128      | 0.29          | 1997          | 3.54          |
| Gas Meter                        | Nos. | 1915          | 20.14         | ----      | ---           | 318      | 5.79          | 1597          | 16.60         |
| M.S.Union                        | Nos. | 221           | 0.40          | 118       | 0.04          | 70       | 0.63          | 269           | 0.42          |
| Regulators                       | Nos. | 2408          | 10.29         | 8         | 0.16          | 187      | 1.45          | 2229          | 9.67          |
| Gas Accessories                  | Nos. | 25665         | 6.70          | 5020      | 1.40          | 532      | 2.18          | 30153         | 7.39          |
| Various Accessories & Others     |      |               | 34.66         | --        | 7.38          | --       | 10.75         | --            | 37.59         |
|                                  |      |               | (47.15)       | --        | (35.94)       | --       | (11.20)       | --            | (75.81)       |

Figure in ( ) Indicates Previous Year's figures.

|                                     | Current<br>Year Rs. | Previous year |
|-------------------------------------|---------------------|---------------|
| C) Payment to Auditor               |                     |               |
| Audit Fees                          | <b>0.20</b>         | 0.20          |
| Tax Matters                         | <b>0.10</b>         | 0.10          |
| Other                               | <b>0.04</b>         | 0.05          |
| D) Particulars of Foreign Exchanges |                     |               |
| i) Expenditure of Foreign Exchanges |                     |               |
| (a) Import of Goods ( CIF )         | <b>00.00</b>        | 23.10         |
| (b) Travelling Foreign Exchanges    | <b>01.19</b>        | 0.24          |

9. The Company has not received any intimation from supplier regarding the status under the Micro, Small And medium enterprises Development Act-2006 and company has not paid any interest to supplier during the year, hence disclosure if any relating to the amount unpaid as at year together with interest paid /payable required under the act has been not given..

10 Previous year figures has been regrouped and/or rearranged wherever necessary

As per attached report of even date

For A B C Gas (International) Ltd

For Bhuwania & Agrawal Associates  
Chartered Accountants

N.K. Agrawal  
Partner

S.S.Shorewala  
(Mg. Director)

S P Shorewala  
(Director)

Paras Gandhi  
(Director)

Place: Mumbai

Date : 22/10/2011

## Cash Flow Statement Annexed to the Balance Sheet for the year ended 31st March 2011

(for the year ended as on)

|  | 31.03.2011                  | 31.03.2010                  |
|--|-----------------------------|-----------------------------|
| <b>A) Cash Flow from operating activities :</b>                      |                             |                             |
| Net profit/ (loss) before tax as per Profit & Loss A/c               | 2,122,566                   | 975,107                     |
| <b>Items Adjustment For:</b>   |                             |                             |
| Depreciation   | 144,053                     | 175,647                     |
| Previous Year Adjustment Expenses                                    | (7,135)                     | (147,209)                   |
| Godown Compensation  | (2,400,000)                 | (920,000)                   |
| Interest Income  | (404,736)                   | (175,088)                   |
| Operating Profit/Loss Before Working Capital Changes                 | (545,252)                   | (91,543)                    |
| <b>Adjustment for Working Capital Changes</b>                        |                             |                             |
| Trade Receivables  | (64,160,976)                | (20,237,058)                |
| Trade Payables   | 70,849,061                  | 22,603,513                  |
| Inventories  | (2,435,805)                 | (2,509,689)                 |
| Movement in Loans, Advance & Other Assets                            | (4,567,379)                 | (1,724,654)                 |
| Cash Generated from Changes in Working Capital                       | (315,099)                   | (1,867,888)                 |
| Net cash from operating Activities                                   | <b>(860,351)</b><br>=====   | <b>(1,959,431)</b><br>===== |
| <b>B) Cash Flow from Investing Activities:</b>                       |                             |                             |
| Purchase of Fixed Assets   | (23,500)                    | (26,922)                    |
| Addition in Investment   | 0                           | (97,000)                    |
| Interest Income  | 404,736                     | 175,088                     |
| Godown Compensation  | 2,400,000                   | 920,000                     |
| Net Cash from Investing Activities                                   | <b>2,781,236</b><br>=====   | <b>971,166</b><br>=====     |
| <b>C) Cash Flow from Financing Activities.</b>                       |                             |                             |
| Unsecured Loan Received  | (3,008,874)                 | 3,352,953                   |
| Income Tax Paid  | (460,037)                   | (316,137)                   |
| Net Cash used in Financing Activities                                | <b>(3,468,911)</b><br>===== | <b>3,036,816</b><br>=====   |
| <b>Net (Decrease)/Increase in Cash &amp; Cash Equivalent (A+B+C)</b> |                             |                             |
| Opening Balance of cash & cash Equivalents                           | (1,548,026)                 | 2,048,551                   |
| Closing Balance of Cash & Cash Equivalents                           | 3,188,171                   | 1,139,620                   |
|  | <b>1,640,145</b>            | <b>3,188,171</b>            |

For Bhuwania & Agrawal Associates  
Chartered Accountants

N.K. Agrawal  
Partner

S.S.Shorewala  
(Mg. Director)

S P Shorewala  
(Director)

Paras Gandhi  
(Director)

Place: Mumbai  
Date : 22/10/2011

**Balance Sheet abstract and company's general business profile as required by  
Part IV Scheule VI of the Companies Act,1956.**

## I. Registration Details :

|                      |                |          |               |
|----------------------|----------------|----------|---------------|
| Registration No.     | <b>L 27110</b> |          | State Code:11 |
| Balance Sheet Date : | Date           | Month    | Year          |
|                      | <b>31</b>      | <b>3</b> | <b>2011</b>   |

## II. Capital raised during the year (Amount in Rs. Lacs)

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

## III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

|                             |                        |                    |
|-----------------------------|------------------------|--------------------|
|                             | Total Liabilities      | Total Assets       |
|                             | 2172.30                | 2172.30            |
| <u>Sources of Funds</u>     | Paid Up Capital        | Reserves & Surplus |
|                             | 198.00                 | 11.97              |
|                             | Secured Loans          | Unsecured Loans    |
|                             | NIL                    | 34.41              |
|                             | Deffered Tax Liability |                    |
|                             | 3.82                   |                    |
| <u>Application of Funds</u> | Net Fixed Assets       | Investment         |
|                             | 18.51                  | 56.75              |
|                             | Net Current Assets     | Mis. Expenditure   |
|                             | 106.81                 | 35.15              |

## IV. Performance of Company (Amount in Rs. Lacs)

|                   |         |                   |         |
|-------------------|---------|-------------------|---------|
| Turnover          | 2394.16 | Total Expenditure | 2372.94 |
| Profit Before Tax | 21.23   | Profit After Tax  | 14.62   |
| Earning Per Share | 0.71    | Dividend Rate     | NIL     |

## V. Generic Names of three principal products/services of company

|                          |                                |
|--------------------------|--------------------------------|
| Product Description      | Copper, Rods & Profile         |
| Item Code No. (ITC Code) | 7407.10                        |
| Product Description      | Copper Alloys, Rods, & Profile |
| Item Code No. (ITC Code) | 7412.10                        |
| Product Description      | Copper Tube & Pipe Fitting     |
| Item Code No. (ITC Code) | 7411.10 & 7412.11              |
| Product Description      | Gas Meter & Accessories        |
| Item Code No. (ITC Code) | 9028.10 & 8414.90              |

As per our attached report of even date.

S.P. Shorewala  
(Director)

Place : Mumbai  
Date: 22/10/2011

S.S. Shorewala  
(Managing Director)

Paras Gandhi  
(Director)

**ABC GAS (INTERNATIONAL)LIMITED**

Regd. Office: 1, Mahesh Villa, B.G.Kher Road,Worli,Mumbai 400 018

**ATTENDANCE SLIP**

**31st Annual General Meeting - 30<sup>TH</sup> November 2011**

I / We hereby record my / our presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company held at 1 Mahesh Villa, Worli, Mumbai - 400 018 on Wednesday, the 30TH day of November, 2011 at 10:00 a.m.

Full Name of member \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Client ID No. \_\_\_\_\_ D. P. ID No. \_\_\_\_\_

Full Name of Proxy \_\_\_\_\_

Member's / Proxy's Signature \_\_\_\_\_

Note: A Shareholder / Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly filled and signed.

----- TEAR HEAR -----

**ABC GAS (INTERNATIONAL)LIMITED**

Regd. Office: 1, Mahesh Villa, B.G.Kher Road,Worli,Mumbai 400 018

**PROXY FORM**

|           |  |
|-----------|--|
| DP ID     |  |
| Client ID |  |

|                      |  |
|----------------------|--|
| Registered Folio No. |  |
|----------------------|--|

I /We \_\_\_\_\_  
of \_\_\_\_\_ in the district \_\_\_\_\_  
being a Member / Members of the above named Company, hereby appoint Shri. / Smt.  
\_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_  
as my / our Proxy to attend and vote for me / us and on my / our behalf at the  
THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 30<sup>th</sup> day of November,  
2011 at 10:00 a.m. and at any adjournment thereof.

Signed this 30<sup>th</sup> day of November 2011

|   |
|---|
| Affix Rs. 1/- ,<br>Revenue Stamp<br>Signature |
|---|

Note: The Proxy must be deposited at the Registered Office at B-9 to B-16 MIDC, Osmanabad - 413501, Maharashtra, not less than FORTY EIGHT HOURS before the time fixed for holding this Meeting.

**BOOK-POST  
PRINTED MATTER**

If, undelivered please return to:

**Regd. Office:**

**ABC GAS (INTERNATIONAL)LIMITED**  
1 Mahesh Villa,  
Worli, Mumbai - 400 018

**THIRTY FIRST ANNUAL REPORT  
2010-2011**



**ABC GAS (INTERNATIONAL) LTD.**