

ANNUAL REPORT 2009-2010



GAGAN
GASES LIMITED

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

GAGAN GASES LTD. Regd office :602 Sector 3 Pithampur Distt Dhar

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Gagan Gases Limited will be held on Thursday the 30th of September 2010 at 10 AM at the Registered Office of the Company at 602, Sector 3, Pithampur, Distt. Dhar to transact the following business :

ORDINARY BUSINESS

1. To consider, approve and adopt Audited Profit & Loss Account for the year ended 31st March, 2010 and Balance Sheet as on that date and the report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri V.K.Khanna who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Shri Ajay Kapoor who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors & to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.
“ Resolved that M/s Dilip K Neema & Associates, Chartered Accountants be and are hereby appointed as Auditors of the company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company on such remuneration as will be fixed by the Board of Directors.”

NOTES

1. **A member entitled to attend and vote at the annual general meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company not less than forty eight hours before the time fixed for the meeting.**
2. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
3. Members are also requested to notify the share transfer agent M/s Link Intime India Pvt Limited C-13 Panna Lal Silk Mill Compound, LBS Marg, Bhandup West, Mumbai 400078 about the change of address, if any, and also intimate about the correction, if any, in name, address, pin code
4. The register of the members of the company will remain closed from Wednesday, the 22nd September 10 to Thursday, the 30th September 10 (both days inclusive)

By Order of the Board of Directors

Place : Indore
Dated : 30-6-2010

K.R. Maheshwary
Managing Director

GAGAN GASES LTD. Regd office :602 Sector 3 Pithampur Distt Dhar

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting the 24th Annual Report together with audited accounts for the year ended on 31st March, 2010

FINANCIAL RESULTS	(Rs in lacs)	(Rs. in lacs)
	2009-10	2008-09
Income from operation	404	323
Other income	1	4
Profit/ (Loss) before interest, depreciation and tax	14	14
Less : Interest	1	0
Depreciation	13	17
Taxation	--	--
Profit/ (Loss) during the year	0	(3)

OPERATIONS

The company has earned net loss of Rs 0.39 lac against net loss of Rs.3 lac during previous year. Since Govt. Oil Companies are still supplying LPG at subsidised rates, the company could not compete in selling LPG to the consumers. It is because of such adverse circumstances, the business of the company is very much affected. The company has also undertaken marketing of industrial lubricants in the state of M.P. The total lubricant sale amounted to Rs. 370 lac (278 lac).

DIVIDEND

In view of the brought forward losses, the Board of Directors regret to recommend any dividend for the year 2009-2010.

DIRECTOR

Shri V.K.Khanna Director is retiring by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board of Directors recommend his re-appointment as director. Shri V.K.Khanna is associated with the company as director since the year 2004.

Shri Ajay Kapoor Director is retiring by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board of Directors recommend his re-appointment as director. Shri Ajay Kapoor is associated with the company as a director since the year 2008.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE GOVERNANCE

The company has ensured that the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on corporate governance is annexed. The Corporate Governance Compliance Certificate obtained from M/s Dalip K Neema & Associates Chartered Accountants, the Statutory Auditors of the Company is also attached to the report.

PUBLIC DEPOSITS :

The company did not accept any deposit from the public during the year as such there is no unpaid or unclaimed deposit with the company.

AUDITORS

The present auditors of the company M/s Dilip K Neema & Associates Chartered Accountants are retiring at the conclusion of the annual general meeting and being eligible offer themselves for reappointment. The Board of Directors also recommend the reappointment of M/s Dilip K Neema & Associates Chartered Accountants as statutory auditors to hold office till the conclusion of next annual general meeting.

AUDITORS' REPORT, ACCOUNTING STANDARDS AND POLICIES.

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

Provision of Rs 3836375/- as interest payable to bank was made in earlier years and was shown under the head current liabilities till 31.3.09. This amount is being written back and is credited to profit and loss account during the year as prior year adjustment. In the opinion of the management, the company has paid total settled liability of Rs 242.60 lacs during previous years and nothing is due for payment now. In respect of the interest the company has informed the bank that there is no liability to pay interest in view of the decision of the higher authorities of the bank. The company has, therefore, written back the provision made in earlier years of interest payable to bank.

The accumulated losses as on 31.3.10 are Rs 267 lacs which are more than 50 % Of the capital of Rs 452 lacs. The accumulated losses are on account of losses incurred in LPG business. To cover up these losses the company has started trading activities.

PERSONAL RELATIONS

Your company continues to enjoy cordial relations with its employees.

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

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

PARTICULARS OF EMPLOYEE

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

Place : Indore
Dated : 30-6-10

For and behalf of the Board of Directors

K.R. Maheshwary
Managing Director

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS

Management's discussion & analysis report

1. Industry Structure and development.

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

2. Opportunities & Threats

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

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

3. Outlook.

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

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

4. Risk & Concerns

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

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS.

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

Name of the Director	Category of Directorship	Other Directorships#	Membership of other committees	Attendance	
				Board Meetings	AGM
Shri K. R. Maheshwary	Executive, Promoter	Nil	Nil	7	1
Shri Gagan Maheshwary	Executive, Promoter	Nil	1	7	1
Shri R. I. Chhabra	Non-executive, Independent	Nil	3	7	1
Shri V.K Khanna	Non-executive, Independent	Nil	3	7	1
Shri Ajay Kapoor	Non-executive, Independent	Nil	1	4	1

This excludes directorship held in private limited companies.

The Board of the Company met 7 times during the financial year, on the following dates :

(1) 20th April 09 (2) 30th June 09 (3) 31st July 09 (4) 11th Aug 09 (5) 31st Oct 09 (6) 30 Jan 10 (7) 26th March 10

3. COMMITTEE OF DIRECTORS

i) Audit Committee

The audit committee is constituted of Sh.R.L.Chhabra as Chairman, Sh.V.K.Khanna and Sh Ajay Kapoor as members. The terms of reference and powers are those as prescribed under clause 49 of listing agreement. All the members are non-executive and independent. During the year 5 meetings of audit committee were held on 20-4-09 (attended by 2 members), 30-6-09 (attended by 3 members), 31-7-09 (attended by 2 members) and 31-10-09 (attended by 2 members), 30-1-10 (attended by 3 members).

ii) Investors/shareholders grievance committee.

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

iii) Remuneration Committee .

This committee is headed of Sh R.L.Chhabra as Chairman, and Shri V.K.Khanna is other members. All the members are independent and non-executives. During the year, there was no proposal of the appointment and as such no meeting was held.

4. CODE OF CONDUCT.

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

5. REMUNERATION PAID TO DIRECTORS DURING 08-09.

Director	Relationship with other Directors	Salary and HRA(Rs.)
Shri K.R Maheshwary	Gagan Maheshwary	390000(276000)
Shri Gagan Maheshwary	K.R.Maheshwary	432000(360000)

None of the directors has taken loan or advance from the company nor sitting fee has been paid. In case of Gagan Maheshwary, PF contribution is Rs 9360

6 GENERAL BODY MEETINGS

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

Annual General Meeting	Date	Time	Venue	No.of special resolution passed
21 th	29 th September,2007	10 a.m.	Registered office	1
22 st	30 th September,2008	10 a.m.	Registered office	2
23 nd	30 th September,2009	10 a.m.	Registered office	2

7. DISCLOSURES

- There are no transactions with any of the related parties except that the company has received unsecured deposits and intercorporate deposit from the related parties in the interest of the smooth running of the business of the company.
- There has been no instance of non compliance by the company on any of the matters related to capital markets and there are no instance of penalties or strictures imposed by SEBI or Bombay Stock Exchange.

8. MEANS OF COMMUNICATION

Results are communicated through press release.

9. SHARE HOLDERS INFORMANTION

- 9.1 Annual General meeting will be held on 30th September 2010 at Registered office of the Company at 602, Sector 3, Pithampur, Distt. Dhar at 10.00 AM.

9.2 Financial calendar : financial reporting for

Quarter ending 30 th June	(unaudited)	last week of July 2010
Quarter ending 30 th Sept.	(unaudited)	last week of Oct. 2010
Quarte ending 31 st Dec.	(unaudited)	last week of Jan. 2011
Year ending 31 st March	(audited)	last week of May 2011

9.3 Date of Book closure is 22.9.10 to 30.9.10(both days inclusive.)

9.4 Dividend payment date :- None

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

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

9.7 Dematerialisation of share : In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip less trading, the company has enlisted its share with National Securities Depository Ltd. (NSDL) and Central Depository Securities Ltd. (CDSL) No. of shares dematerialized are 3451975 as on 31st March 10 which is 76.40 % of total capital.

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

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

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

9.11 Market Price Data

Monthly High and Low of Company's Equity Share (Rs.10 per share) for the year ended March 2010 at the Stock Exchange, Mumbai:

Month	Low (Rs.)	High (Rs.)
April 2009	5.17	6.61
May 2009	4.52	5.77
June 2009	6.05	8.80
July 2009	7.00	8.00
August 2009	4.76	6.70
September 2009	5.61	7.19
October 2009	5.51	6.52
November 2009	4.80	6.39
December 2009	4.59	6.30
January 2010	5.60	6.82
February 2010	5.25	6.68
March 2010	4.41	5.56

9.12 Address for correspondence for share transfer and related matters :

LINK INTIME INDIA PVT LIMITED are Registrar & Share Transfer Agent for both physical shares and electronic connectivity. Application for the transfer of shares and dematerialisation of share and other related matters may be sent to them at the following address:

Link Intime India Pvt Limited, C-13 Panna Lal Silk Mill Compound, LBS Marg
Bhandup West, Mumbai 400078

3. COMMITTEE OF DIRECTORS

i) Audit Committee

The audit committee is constituted of Sh.R.L.Chhabra as Chairman, Sh.V.K.Khanna and Sh Ajay Kapoor as members. The terms of reference and powers are those as prescribed under clause 49 of listing agreement. All the members are non-executive and independent. During the year 5 meetings of audit committee were held on 20-4-09 (attended by 2 members), 30-6-09 (attended by 3 members), 31-7-09 (attended by 2 members) and 31-10-09 (attended by 2 members), 30-1-10 (attended by 3 members).

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

8. MEANS OF COMMUNICATION

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9. SHAREHOLDERS INFORMANTION

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9.13 Shareholding pattern as on 31st March, 2010

Category	No. of Share held	% of Shareholding
Promoters	1383181	30.61
Bank, Financial Institutions & Insurance Company	3200	0.07
Private Bodies Corporate	169279	3.75
Indian Public	2892284	64.03
NRI/OCBs	39102	0.85
Clearing Member	31454	0.69
Total	4518500	100

9.14 Distribution of Shareholding as on 31st March, 2010

Shareholding of nominal value of Rs.	No of Holders	%	No of Shares	%
Upto 5000	5496	87.01	1054030	23.32
5,001 to 10,000	459	7.27	391268	8.66
10,001 to 20,000	165	2.61	258661	5.72
20,001 to 30,000	64	1.01	164375	3.64
30,001 to 40,000	30	0.48	106779	2.36
40,001 to 50,000	31	0.49	141299	3.13
50,001 to 1,00,000	33	0.52	250551	5.55
Above 1,00,001	38	0.60	2151537	47.62
Total	6316	100	4518500	100

9.15 Designated e mail ID

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

For and on behalf of the Board of Directors

Place : Indore
Dated : 30-6-2010

K.R. Maheshwary
Managing Director

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

I hereby confirm that all the directors have as on 31st March 10 affirmed compliance to their respective code of conduct adopted by the company and confirmation to that effect has been given by each of them.

Place : Indore
Dated : 30-6-2010

K.R. Maheshwary
Managing Director

AUDITORS REPORT

TO,
THE MEMBERS OF GAGAN GASES LIMITED

- 1) We have audited the attached Balance Sheet of **GAGAN GASES Limited** (the Company) as at March 31, 2010, and the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors Report) order, 2003, as amended by the companies (Auditors Report) (Amendment) order 2004 (together the "order") issued by the Government of India Ministry of Finance 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 paragraph 4 and 5 of the said order.
- 4) Further to our comments in the annexure referred to in paragraph 3 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 account as required by law have been kept by the Company so far as appears from examination of those books;
 - c. The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the 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 Act;
 - e. On the basis of the written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2010 from being appointed as Director in terms of section 274 (1)(g) of the Act;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement together with the notes thereon and annexed thereto give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India subject to note no. 10(b) of notes on accounts ;
- (i) in the case of the Balance Sheet, of the state of affairs of the company as on March 31, 2010 and
- (ii) in the case of the Profit and Loss account, of the LOSS of the company for the year ended on that date; and
- (iii) in the case of the cash Flow Statement, of the cash flows for the year ended on that date.

For M/s Dilip K. Neema & Associates
Chartered Accountants

(Dilip K. Neema)
Proprietor
M.No. 74067

Place : INDORE
Date : 30.06.2010

ANNEXURE TO AUDITOR'S REPORT

Statement as required by Companies (Auditors' Report) order, 2003 as amended by the Companies (Auditors' Report) (Amendment) order, 2004, (together the "Order") issued by the central government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, of India (the "Act"):

1. i. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- ii Fixed assets except LPG cylinders have been physically verified by the management at reasonable intervals during the year. LPG cylinders being in the physical possession of consumers and dealers which are verified in routine as and when these pass through the company for refilling. We have not noted any discrepancies on such verification.
- iii No substantial part of fixed assets have been disposed off during the year.

2. i As per records produced before us and in accordance with Management representation Physical verification of inventory has been conducted at reasonable intervals by the management.
- ii The procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- iii The company is maintaining proper records of inventory. No Material discrepancies noticed on physical verification.
3. The company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. The company has taken loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Terms and conditions were prima facie not prejudicial to the interest of the company.
- 4 There is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory fixed assets and for the sale of goods and services. There is no continuing failure to correct major weakness in internal controls.
- 5 We are informed that transaction during the year that need to be entered into a register in pursuance of section 301 of the Act have been so entered. The transaction have been made at prices which are prima facie reasonable having regard to the prevailing market prices at relevant time.
- 6 The company has not accepted deposits from the public where the directives issued by RBI and the provisions of sec. 58A, 58AA or any other relevant provision of the Act and rule framed there under where applicable.
- 7 The company have followed in-house internal audit system commensurate with its size and nature of its business as applicable to it.
- 8 On the basis of information given to us by management of the company, maintenance of cost records has not prescribed by the central government under clause (d) of sub section (I) of section 209 of the Act.
- 9 As per the books and records as produced before us and in accordance with Management representation, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty for the year 2009-2010 (whichever is applicable) which have not been deposited on account of dispute. However Rs. 52214/- and Rs. 107615/- related to undisputed liability of Entry Tax, Commercial Tax and CST for FY 2000-2001 and 2001-2002 respectively are in arrear as at 31.03.2010 for period more than six months.
- 10 The company has accumulated losses as at march 31, 2010 exceeds 50% of net worth of the company but the company has not incurred any cash losses during the current year as well as immediately preceding financial year.
- 11 As per the books and records as produced before us and in accordance with Management representation the Company has not defaulted in repayment of any dues to bank subject to note no. 10(b) of notes on accounts.
- 12 The company is not involved in business of granting loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The company is not involved in business of chit fund.
- 14 The company is not dealing or trading in shares, securities, debentures and other investment.
- 15 The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 On the basis of books of accounts and declaration given by the management, the company has taken terms loans during the year under audit hence clause not applicable for comment.
- 17 On the basis of books of accounts and declaration given by the management, the company has not utilized the funds raised on short terms basis for long term investment
- 18 As per the books and records as produced before us and in accordance with Management representation the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 19 As per the books and records as produced before us and in accordance with Management representation no debentures were issued during the year by the company.
- 20 The company has not raised capital through public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company was noticed or reported during the year.

INDORE, 30.06.2010

For M/s Dilip K. Neema & Associates
Chartered Accountants

(Dilip K. Neema)
Proprietor
M.No 074067
FRN: 005279C

CA. DILIP K. NEEMA
B. COM. ,FCA

DILIP K. NEEMA & ASSOCIATES
Chartered Accountants

406,Rounak Plaza 8-B, South Tukoganj Opp. Nath Mandir Indore (M.P.)-452001 Tele. No.-0731-4064243 Cell: 9425062556

TO,
The Members of
GAGAN GASES LIMITED
INDORE (M.P.)

We have examined the compliance of Corporate Governance by GAGAN GASES LIMITED, INDORE (M.P.) for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountant of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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

For M/s Dilip K. Neema & Associates
Chartered Accountants

(Dilip K. Neema)
Proprietor
M. No. 074067
FRN : 005279C

Place : Indore
Date : 30.06.2010

GAGAN GASES LIMITED
BALANCE SHEET AS AT 31.03.2010

	SCH.	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	A	45,185,000	45,185,000
LOAN FUNDS			
Secured loans	B	181,956	-
Unsecured loans	C	3,198,833	3,590,496
DEFERRED TAX LIABILITY		136,575	347,313
TOTAL		48,702,364	49,122,809

APPLICATION OF FUNDS

FIXED ASSETS	E		
Gross Block		109,425,177	108,774,835
Less Depreciation		<u>94,138,598</u>	<u>92,879,964</u>
Net Block		15,286,579	15,894,871
INVESTMENTS		Nil	Nil
CURRENT ASSEST LOANS & ADVANCES			
CURRENT ASSETS	F		
Inventories		2,926,878	2,810,744
Sundry Debtors		6,882,551	6,131,110
Cash & bank balances		2,622,214	3,644,567
Loans & advances		<u>804,312</u>	<u>1,112,772</u>
		13,235,955	13,699,193
LESS:			
CURRENT LIABILITIES & PROVISIONS	D		
Current Liabilities		5,635,866	10,217,216
Provisions		<u>918,720</u>	<u>836,503</u>
		6,554,586	11,053,719
Net Current Assets		6,681,369	2,645,474
PROFIT & LOSS ACCOUNT	G	26,734,416	30,582,463
TOTAL		48,702,364	49,122,808

NOTES ON ACCOUNTS N

Schdeules referred here above form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE
For DILIP K NEEMA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD OF DIRECTORS

(CA. DALIP NEEMA)
Prop M.No.074067
FRN NO 005279C

(K.R.MAHESHWARY)
MANAGING DIRECTOR

(GAGAN MAHESHWARY)
DIRECTOR

PLACE: INDORE
DATED: 30-6-10

GAGAN GASES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

INCOME	SCHEDULE	2009-10	2008-09
Income from operations		40,291,090	32,303,486
Other Income		118,389	473,749
Increase/decrease in stock		116,134	20,864
Total		40,525,613	32,798,099
EXPENDITURE			
Cost of material	H	35,670,696	27,983,165
Manufacturing expenses	I	193,834	209,324
Payment to & provision for employees	J	1,886,187	1,733,005
Selling & distribution exp	K	420,800	292,781
Administrative expenses	L	1,024,954	1,063,343
Interest Charges	M	110,246	39,128
Depreciation	E	1,258,634	1,718,782
Net profit carried down		(39,738)	(252,309)
		40,525,613	32,787,219
LOSS FOR THE YEAR BEFORE TAX		(39,738)	(252,309)
Prior year's adjustments (net)		3677047	3430488
<u>PROVISION FOR TAXES</u>			
Current Income Tax		0	0
Deferred Tax		210738	1344175
Fringe Benefit Tax		0	(10956)
PROFIT AFTER TAX		3848047	(2349578)
Balance brought forward		(31781901)	(29432323)
Balance carried forward to schedule G		(27933854)	(31781901)
Notes on Accounts	N		

Schedules referred hereabove form an integral part of profit and loss

AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

FOR DILIP K. NEEMA & ASSOCIATES
Chartered Accountants

(CA. DILIP NEEMA)
Prop. M. No. 074067
FRN : 005279C

(K.R.MAHESHWARY)
MANAGING DIRECTOR

(GAGAN MAHESHWARY)
DIRECTOR

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

SCHEDULE 'A'	A MOUNT AS AT 31.03.2010 Rs	A MOUNT AS AT 31.03.2009 Rs.
SHARE CAPITAL		
Authorised :		
75,00,000 (75,00,000) Equity Shares of Rs. 10/- each	75,000,000	75,000,000
ISSUED, SUBSCRIBED AND PAID UP :		
4518 500(4518500) Equity Shares of RS. 10/- each fully paid	45,185,000	45,185,000
SCHEDULE ' B '		
SECURED LOAN		
HDFC bank for vehicle	181,956	-
SCHEDULE 'C'		
UNSECURED LOANS		
Deposits from directors/share holder	996,883	705,000
Inter Corporate Deposit	1,993,260	2,655,260
Security deposits from dealers	208,690	230,236
TOTAL	3,198,833	3,590,496
SCHEDULE'D'		
CURRENT LIABILITIES AND PROVOISIONS		
(A) CURRENT LIABILITIES		
Sundry creditors for expenses	1,162,807	1,159,248
Sundry creditors for goods	4,070,574	4,788,816
Cheques payable	-	136,253
Interest payable to bank	-	3,836,375
Statutory liabilities	374,485	242,972
Expenses payable	28,000	46,986
Advances from customers	-	6,566
TOTAL A	5,635,866	10,217,216
(B) PROVISIONS		
Provision for gratuity	918,720	825,547
Prov for FBT	-	10,956
TOTAL B	918,720	836,503
TOTAL A+B	6,554,586	11,053,719

GAGAN GASES LIMITED

SCHEDULE 'E' ATTACHED TO & FORMING PART OF BALANCE SHEET AS AT 31.03.2010

PARTICULARS	G R O S S B L O C K		D E P R E C I A T I O N		N E T B L O C K	
	AS AT 01-04-2009	AS AT 31.03.2010	UPTO 01.04.09	UPTO 31.03.2010	AS AT 31-03-2009	AS AT 31.03.2010
	Rs	Rs	Rs	Rs	Rs	Rs
	2,490,520	2,490,520	383,511	383,511	2,107,009	2,107,009
LEASEHOLD LAND & SITE DEVELOPMENT						
FURNITURE & FIXTURES	1,147,284	1,167,763	1,084,360	1,128,172	92,924	39,591
FACTORY BUILDING	16,970,284	16,970,284	7,535,924	8,079,030	9,434,360	8,891,254
PLANT & MACHINERY	9,048,517	9,030,517	5,889,061	6,300,866	3,158,458	2,729,651
VEHICLES	273,255	835,482	188,136	91,276	85,119	629,325
ELECTRICITY INSTALLATIONS	1,751,334	1,751,334	1,355,638	55,888	395,695	339,808
GAS CYLINDERS	74,893,750	74,893,750	74,884,591	9,158	9,158	1
FIRE FIGHTING EQUIPMENT	1,303,038	1,303,038	737,957	61,895	565,081	503,186
COMPUTERS	886,853	12,381	850,786	11,894	48,067	46,754
TOTAL	108,774,835	109,425,177	92,879,964	1,258,634	15,894,871	15,286,579
Previous year's figures	108,774,835	108,774,835	87,900,996	1,718,782	20,873,939	15,894,871

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS SCHEDULE F CURRENT ASSETS, LOANS & ADVANCES	A M O U N T A S A T 31.03.2010 Rs.	A M O U N T A S A T 31.03.2009 Rs.
INVENTORIES		
(As taken, valued and certified by the management)		
a) LPG	1,539,422	1,055,147
b) LUBRICANTS	1,372,456	1,740,597
Total amount taken to Profit & Loss Account (A)	2,911,878	2,795,744
Stock of Stores & Spares in hand (B)	15,000	15,000
Total (A) & (B) taken to Balance Sheet	2,926,878	2,810,744
 SUNDRY DEBTORS		
(unsecured, considered good)		
outstanding over 6 months	619,414	579,442
others	6,263,137	5,551,668
TOTAL	6,882,551	6,131,110
 CASH AND BANK BALANCES		
Cash in hand	1,364,225	424,818
Cheque in hand	-	28,945
Balances with Schedule Banks	1,169,261	3,068,884
Balances with Other Banks	88,728	121,920
TOTAL	2,622,214	3,644,567
 LOAN AND ADVANCES (Unsecured considered good)		
Advance to employees	-	489
Advance to suppliers	338,442	580,315
Deposits given	275,642	280,457
Income Tax Deducted at source	135,010	210,262
Refund of commercial tax	23,817	23,817
Prepaid Expenses	31,401	17,432
TOTAL	804,312	1,112,772

GAGAN GASES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.3.2010

	A M O U N T A S A T 31.03.2010 Rs.	A M O U N T A S A T 31.03.2009 Rs.
SCHEDULE - G		
PROFIT AND LOSS ACCOUNT		
Loss brought forward from P&L appropriation a/c	27,933,854	31,781,901
Less -General Reserve	1,199,438	1,199,438
	<u>26,734,416</u>	<u>30,582,463</u>
SCHEDULE -H		
COST OF MATERIAL		
COST OF MATERIAL	35,019,825	27,648,518
Entry Tax	43,125	66,013
Freight on purchases	607,749	268,634
Total	<u>35,670,699</u>	<u>27,983,165</u>
SCHEDULE -I		
MANUFACTURING EXPENSES		
Power consumed	132,288	144,902
Stores & spares consumed	53,979	59,668
Repair to plant & machinery	7,567	4,754
	<u>193,834</u>	<u>209,324</u>
SCHEDULE - J		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES :		
Payment to Directors	822,000	636,000
Payment to Employees	855,351	758,671
Provision for bonus	28,000	34,031
Total A	<u>1,705,351</u>	<u>1,428,702</u>
CONTRIBUTION TO PF & OTHER FUNDS		
PF directors	9,360	9,360
PF employess	60,675	66,486
ESIC employees	17,628	28,803
Provision for gratuity	93,173	199,654
Total B	<u>180,836</u>	<u>304,303</u>
Total A & B	<u>1,886,187</u>	<u>1,733,005</u>
SCHEDULE - K		
Sales & Distribution exp		
Rebate and discount	103,509	134,609
Marketing dvelopment exp	128,233	217,834
Freight outward exp	189,058	158,172
Total	<u>420,800</u>	<u>510,615</u>

GAGAN GASES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

SCHEDULE ' L'	31.03.10	31.03.2009
ADMINISTRATIVE EXPENSES	Rs.	Rs.
Rent office	115,200	103,213
Repair building	-	5,465
Staff tea & misc exp.	5,789	8,033
Insurance	28,906	11,874
Advertisement	39,817	11,466
Travelling	43,217	27,453
Bad debts written off	37,141	-
Fee,Rates,Taxes	217,785	77,636
Total A	<u>487,855</u>	<u>245,140</u>

OTHER MISC EXPENSES

Printing & Stationery	51,002	53,127
Repair & mainenance (Others)	7,133	16,039
Electricity Expenses Office	12,318	23,641
Lease Rent	31,750	110,279
Postage exps	38,054	43,330
Miscellaneous expenses	14,949	21,210
Telephone	69,635	92,392
Vehicle running & maint	95,171	80,266
Service tax	15,871	16,693
Auditors remuneration	25,000	25,000
Conveyance	11,377	19,302
Web site exp	-	5,500
Plant security	164,839	104,470
Total B	<u>537,099</u>	<u>611,249</u>

Total A+ Total B

1,024,954 856,389

SCHEDULE 'M'

INTEREST CHARGES

Interest to Bank	-	15,000
Interest to others	76,096	10,207
Bank charges	34,150	13,921
	<u>110,246</u>	<u>39,128</u>

GAGAN GASES LIMITED

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. **METHOD OF ACCOUNTING:**
The financial statements are prepared under historical cost convention on accrual basis and comply with Accounting Standards referred to in Section 211 (3c) of the Companies Act, 1956.
2. **INVENTORIES :**
 - I. Raw Material, Stores & Spares & other trading products are valued at cost determined on FIFO basis .
 - II. Finished goods are valued at cost or net realizable value whichever is lower.
3. **FIXED ASSETS AND DEPRECIATION**
 - i) Fixed assets are stated at historical cost of acquisition and installation.
 - ii) Depreciation is provided on all depreciable assets on straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act ,1956 except in case of furniture & fixture depreciation is provided at written down value basis at the rates and in the manner provided in schedule XIV to the Companies Act, 1956. Depreciation on addition / deletion is charged on pro rata basis
 - iii) The full value of leasehold land is amortized over the period of lease.
4. **RETIREMENT BENEFITS :**
 - i) The Company's contribution to recognized provident fund and employee's state insurance contribution is charged to revenue.
 - ii) Provision for gratuity liability as determined by actuary has been made.
5. **CASH FLOW STATEMENT**
Cash flow statement has been prepared under indirect method .
6. **TAXATION**
Current Tax is determined as per the current tax provisions applicable for Income Tax..
Deffered tax is recognized subject to the consideration of prudence in respect of deffered tax assets/ liabilities on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.
7. **IMPAIRMENT :**
The management assesses, using external and internal recourses whether there is an indication that any asset may be impaired If an asset is impaired ,the company recognises an impairment loss as excess of the carrying amount of the asset over recoverable amount.

B. NOTES TO THE ACCOUNTS

1. Managerial Remuneration:

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

PARTICULARS	K.R.Maheshwary (M Director)	Gagan Maheshwary (Director)
Salary	390000 (255000)	432000 (360000)
HRA	Nil (21000)	Nil
Contribution to PF	nil	9360 (9360)

2. Balances of Sundry debtors, creditors and advances are subject to confirmation & reconciliation.
3. Provisions: The company has made the following provisions during the year.
 - a) Provision of Rs. nil (10956) towards Fringe Benefit Tax Liability has been made.
 - b) Provision of Rs 93173 (199654) towards gratuity payable.

4. Value of stores and spare parts consumed:

	Current Year		Previous Year	
	Value(Rs)	%	Value(Rs)	%
a) Imported	nil		nil	
b) Indigenous	0.54 lac	100%	0.60 lac	100%

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

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

A) Capacity & Production -- LPG Bottling Plant
(as certified by the management)

i) Lic./regd. Capacity (p.a.)	ii) Installed Capacity (p.a.)	iii) Actual Production
4800 M.T.(4800)	4800 M.T.(4800)	94 M.T.(85)

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

Product	Opening Stock		Purchase		Sale		Closing Stock	
	Qty.	Value (Rs.'000)	Qty.	Value (Rs.'000)	Qty.	Value (Rs.'000)	Qty. (Rs.'000)	Value
LPG(MT)	35	1055	92	3373	94	3298	33	1539
	(25)	(1104)	(95)	(3692)	(85)	(4175)	(35)	(1035)
Lubricants (Lt/Kg)	14635	1740	282127	31646	286306	36993	10456	1372
	(17841)	(1671)	(225246)	(23956)	(228452)	27762)	(14635)	(1740)

7. Related party disclosures as required by AS 18

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

Name of related party	Nature of transaction	O.B	Rs in lacs		
			Received	Paid	BCO
Gagan Goods Carrier Pvt Ltd	unsecured loan	19.27	0	9.65	9.62
Gagan Investment Pvt Ltd	unsecured loan	7.28	13.03	10.00	10.31
Rekha Maheshwary	unsecured loan	7.05	5.85	2.93	9.97

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

8. Earning per share

After tax earning per share & diluted earning per share before prior year adjustment and deferred tax liability/assets during the year is Rs (0.009) as against Rs (0.06) of previous year.

9. Segment reporting AS 17

There are two product wise segments of the company:-

	31.3.10	31.3.09
1 SEGMENT REVENUE	Rs in lac	Rs in lac
(1) LPG	33	49
(11) Lubricants	371	278
Total	404	327
2. SEGMENT RESULTS		
Profit (Loss)		
(1) LPG	(37)	(29)
(11) Lubricants	37	26
Total	0	(3)
3. TAX	nil	nil
4. PROFIT/LOSS AFTER TAX		
(1) LPG	(37)	(29)
(11) Lubricants	37	26
Profit	0	(3)

- The entire assets and liabilities are not allocable between these two segments because of nature of business.
10. Contingent liabilities not provided are as under:
 - a) Rs 50 lac (Rs 51 lacs) being bank guarantees issued by Bank in favour of Exxon Mobil Lubricants P Ltd from whom the company is purchasing material. These guarantees are secured against fixed deposit of Rs 6 lac of the company and remaining amount secured by collateral security belonging to director and related party of the directors..
 - b) Provision of Rs 3836375/- as interest payable to bank was made in earlier years and was shown under the head current liabilities till 31.3.09. This amount is being written back and is credited to profit and loss account during the year as prior year adjustment. In the opinion of the management, the company has paid total settled liability of Rs 242.60 lacs during previous years and nothing is due for payment now. In respect of the interest the company has informed the bank that there is no liability to pay interest in view of the decision of the higher authorities of the bank. The company has ,therefore, written back the provision made in earlier years of interest payable to bank.
 11. Previous year's figures have been regrouped and rearranged wherever considered to make them comparable and in lines with the requirement of presentation. Figures are rounded to nearest rupees.
 12. There are no transactions with SSI units, hence reporting for SSI units not required.

FOR DILIPK NEEMA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD OF DIRECTORS

(CA Dilip K. Neema)
Proprietor
M.N.074067
FRN NO 005279 C

(K.R Maheshwary)
Managing Director

(Gagan Maheshwary)
Director

Place : INDORE
Dated : 30.06.10

CASH FLOW STATEMENT

	2009-10 (Rs. In Lacs)	2008-09* (Rs. In Lacs)
"A" CASH FLOWS FORM OPERATING ACTIVITIES		
Net Profit before tax	-0.40	-36.57
Add: Prior Year adjustment	36.77	34.30
	36.37	-2.27
Adjustments for :		
Depreciation	12.59	17.19
Interest received	-0.86	-1.14
	48.10	13.78
Operating profit before working capital changes adjustment for:		
(Increase) / Decrease in sundry debtors	-7.51	-15.74
(Increase) / Decrease in inventories	-1.16	-0.11
(Increase) / Decrease in loan & advances	3.08	0.00
Increase / (Decrease) in Other Current liabilities	-44.99	11.83
	-2.48	9.76
Cash generated from operations		
Interest paid	0.76	0.00
Direct Taxes & FBT	0.00	-1.81
Net Cash from operating activities (A)	-1.72	7.95
"B" CASH FLOWS FORM INVESTING ACTIVITIES		
Purchase of fixed assets	-6.68	0.00
Sales of fixed assets	0.18	0.00
Interest received	0.86	1.14
	-5.64	1.14
NET CASH USED IN INVESTING ACTIVITIES (B)		
"C" CASH FLOWS FORM FINANCING ACTIVITIES		
Interest on borrowings	-0.76	-0.25
Proceeds from new borrowings	1.82	-7.39
Unsecured Loans	-3.93	0.00
	-2.87	-7.64
NET CASH USED IN FINANCING ACTIVITIES (C)		
NET CASH FLOWS DURING THE YEAR (A+B+C)	-10.23	1.45
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	36.45	35.00
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	26.22	36.45
*Previous year figures are as per audited balance sheet		

For M/s Dilip K. Neema & Associates

Chartered Accountants

(Dilip K. Neema)

Proprietor

M.No. 074067

FRN: 005279C

Indore, Date : 30/06/2010

FOR AND ON BEHALF OF THE BOARD

(K.R. Maheshwary)
Managing Director

(Gagan Maheshwary)
Director

AUDITORS CERTIFICATE

We have checked the enclosed cash flow statement of GAGAN GASES LIMITED, INDORE (M.P.) derived from the audited financial statements for the year ended on March 31, 2010, with the books and records maintained in the ordinary course of business and found the same to be in accordance therewith.

For M/s Dilip K. Neema & Associates
Chartered Accountants
(Dilip K. Neema)
Proprietor
M. No. 074067
FRN : 005279C

Place : Indore
Date : 30.06.2010

- The entire assets and liabilities are not allocable between these two segments because of nature of business.
10. Contingent liabilities not provided are as under:
 - a) Rs 50 lac (Rs 51 lacs) being bank guarantees issued by Bank in favour of Exxon Mobil Lubricants P Ltd from whom the company is purchasing material. These guarantees are secured against fixed deposit of Rs 6 lac of the company and remaining amount secured by collateral security belonging to director and related party of the directors..
 - b) Provision of Rs 3836375/- as interest payable to bank was made in earlier years and was shown under the head current liabilities till 31.3.09. This amount is being written back and is credited to profit and loss account during the year as prior year adjustment. In the opinion of the management, the company has paid total settled liability of Rs 242.60 lacs during previous years and nothing is due for payment now. In respect of the interest the company has informed the bank that there is no liability to pay interest in view of the decision of the higher authorities of the bank. The company has ,therefore, written back the provision made in earlier years of interest payable to bank.
 11. Previous year's figures have been regrouped and rearranged wherever considered to make them comparable and in lines with the requirement of presentation. Figures are rounded to nearest rupees.
 12. There are no transactions with SSI units, hence reporting for SSI units not required.

FOR DILIPK NEEMA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD OF DIRECTORS

(CA Dilip K. Neema)
Proprietor
M.N.074067
FRN NO 005279 C

(K.R Maheshwary)
Managing Director

(Gagan Maheshwary)
Director

Place : INDORE

Dated : 30.06.10

GAGAN GASES LTD.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
FOR THE YEAR ENDED ON 31.03.2010

I	REGISTRATION DETAILS		
	Registration No.	4228	
	Balance Sheet Date		31.03.2010
	State code		10
II	CAPITAL RAISED DURING THE YEAR		
	Public Issue		Nil
	Right Issue		Nil
	Bonus Issue		Nil
	Private placement		Nil
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (RS.in ,000)		
	Total liabilities		48702
	Paid up capital		45185
	Reserves & surplus		0
	secured loans		182
	Unsecured loans		3199
	Deferred Taxes		136
	Total Assets		48702
	Net fixed assets		15287
	Investments		0
	Net current assets		6681
	Miscellaneous expenditure		0
	Accumulated losses		26734
IV	PERFORMANCE OF COMPANY		
	Turnover		40409
	Total expenditure		40449
	Other income		0
	Profit before tax		-40
	Profit after tax		-40
	Earning per share(RS.)		-0.009
	Dividend Rate %		0
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE CO.		
	Item code No.		9993
	Product description		LPG

FOR DILIP k. NEEMA & ASSOCIATES
 CHARTERED ACCOUNTANTS

(DILIP k. NEEMA)
 PROP. M. NO 074067

(K.R. MAHESHWARY)
 Managing Director

(GAGAN MAHESHWARY)
 DIRECTOR

FRN : 005279C
 INDORE CITY
 6/30/2010

BOOK - POST

To,

If Underlivered Please return to :

GAGAN GASES LIMITED

Registered Office :

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

Tel. : 07292-400266