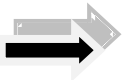


18TH
ANNUAL REPORT
2012-2013



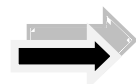
EASTERN GASES LIMITED



Achieving Prosperity

by

Sustainable Development



**THE BOARD OF DIRECTORS**

Mr. Sushil Kr. Bhansali
Chairman

AVM Debabrata Choudhury
Independent Director

Mr. Tejvir Singh
Independent Director

Mr. Suresh Baid
Independent Director

Mr. Anil Choudhury Legha
Independent Director

AUDITORS

M/s Sarkar Gurumurthy & Associates,
Chartered Accountants

REGISTERED OFFICE

43 Palace Court, 1 Kyd Street
Kolkata - 700 016
Ph: 033-22299897 / 8606
Fax: 033-22496826
Email: info@eastgas.co.in

BOTTLING PLANTS

1. Address: De-Gaul Avenue,
Vill: Khairasole, Durgapur,
Dist.: Burdwan (W.B.)
2. Address: Survey no 124/1, Budihal,
Vill: Nelamangala, Taluk
Dist: Bangalore Rural District,
Bangalore-562123
3. Address: 4th Floor Venus Plaza Begumpet
Vill: Bibinagar,
Dist: Nalgonda, Hydrebad-500016

RETAIL OUTLET

Location: Paschim Medinipur

REGISTRAR & SHARE TRANSFER AGENT

Name of Registrar: S.K. Info Solutions Pvt. Ltd.
Address: 34/1A, Sudhir Chatterjee Street,
Kolkata 700006
Phone: +91-33-22196797 / 4819
Fax: +91-33-22194815
Email: agarwalaskc@rediffmail.com

BANKERS

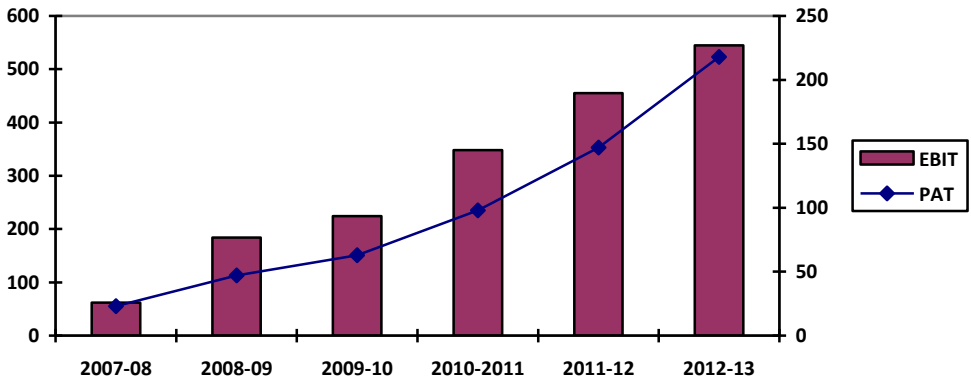
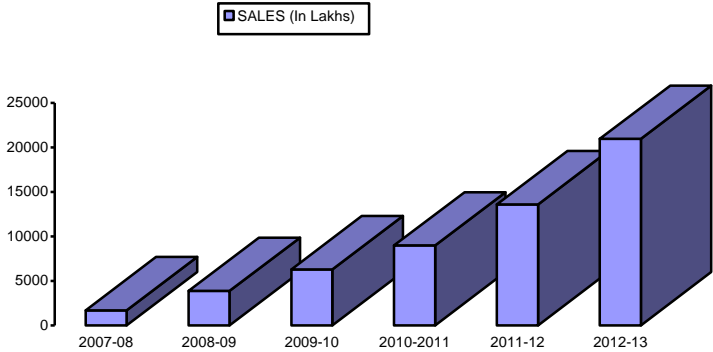
Axis Bank
Central Bank of India
DBS Bank

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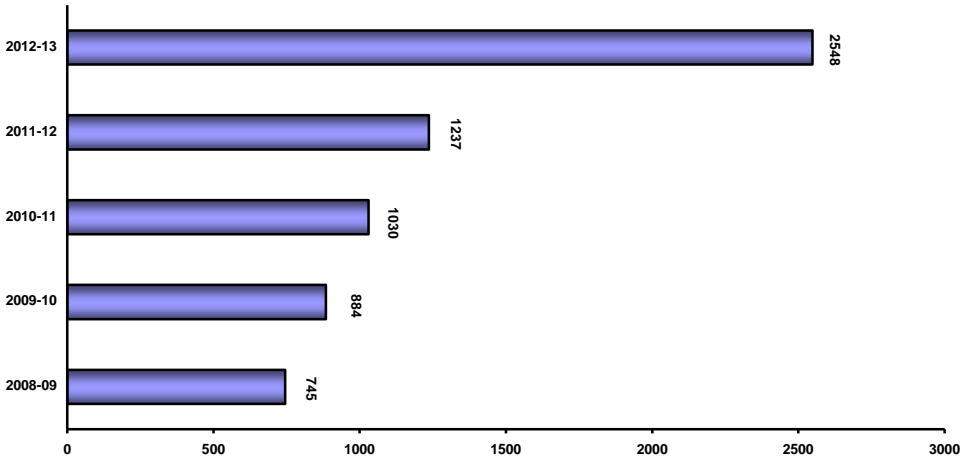
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PERFORMANCE AT A GLANCE



Tangible Net Worth (in lakhs)





DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

On behalf of the Board of Directors, it is my privilege and honour to place before you the Eighteenth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

	(Rs. in Lacs)	
	2012-13	2011-12
Total Revenue	20951.24	13593.26
Profit before Interest, depreciation and taxat	611.98	454.84
Interest	268.33	208.03
Depreciation	67.41	58.95
Profit Before Tax	276.24	187.86
Less: Provision for Taxation	58.26	40.43
Profit after Tax	217.98	147.43
Add: Balance Brought Forward	379.85	232.42
Surplus carried to Balance Sheet	1047.94	379.85

1. REVIEW OF OPERATION

The Company has been gradually gearing up its performance level to consolidate its position in the face of stiff competition in the market with firm commitment & sustained efforts. The company expects to maintain persistent growth in the years to come. You shall be happy to note that during the period 2012-13, your Company has achieved a substantial growth, both in turnover and profits

Net Sales increased by.....54% to Rs. 20951.24 lacs

PBDIT increased by.....34% to Rs. 611.98 lacs

Profit before tax increased by.....47% to Rs. 276.24 lacs

Net Profit increased by.....48% to Rs. 217.98 lacs

2. FUTURE OUTLOOK

During the course of current financial year, the Board has witnessed an impressive rise in demand mainly due to public awareness for usage of commercial cylinders in commercial applications in the place of domestic cylinders and accordingly the Company expects to perform better. The Management has taken adequate steps to cater the future demand for consolidating its position in the market. LPG being more economical in comparison with others fuels and the industry will gain significance not only in the Eastern Region, but also throughout India. The company has also decided for setting up/or purchase more Bottling Plant/Auto LPG Retail Outlets (Dispensing Stations) which will require substantial investment in future. The company is evaluating all the options to propel its expansion plans. After government's restriction on supply of subsidised LPG in domestic sector the company is planning to enter in domestic supply of LPG and this will open new avenue. Further the company decided to engage itself and work in the field of conventional and non-conventional form of energy and power. India is one of the few countries which have plenty of hydro, tidal, wind & solar energy available which can be easily harnessed. Hence to grab this opportunity the company alters it's MOA under section 192A and the same is approved by the Registrar of Companies, West Bengal.

A. BOTTLING SEGMENT

The company caters the commercial cylinder market of West Bengal, Bihar and Orissa from its own bottling plant situated at Durgapur. The company already stepped forward to set up few new LPG bottling plant at strategically potential locations to cover Central and Southern India as well for marketing its "EAST GAS" brand commercial LPG cylinders. This will add to company's presence in Domestic, Commercial and Industrial segment. With various government checks on Domestic LPG supplies the company expects that the Domestic sector will also open up as Good Avenue.

B. BULK LPG

The Company expects good growth in this segment due to the conversion of major industries from Coal/ other alternate fuels to LPG/Propane due to Environment concerns. LPG being a cleaner and cheaper fuel is preferred choice of the Industrial Customers. The company is also exploring opportunities throughout India as usage of LPG in Industrial houses is growing.

C. AUTO LPG

The Company has already commissioned its 1st ALRO in West Bengal with the plan to make the chain of 100 Auto LPG Refilling Outlets throughout India in coming years.

**3. DIVIDEND**

The Board believes that it will be prudent for the company to conserve resources in view of future expansion programs inline for the coming year, which will enhance the profitability to a great extent. Hence, your directors are not recommending any dividend for the Financial Year 2012-13.

4. ISSUE OF SHARE CAPITAL

There was further issue of share capital during the year of Rs. 6,43,02,000/- for 64,30,200 Equity Shares of Rs. 10/- each at a premium of Rs 7/- per share which have been allotted on Preferential Basis.

5. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to clause 49 of the Listing agreement a separate report on Management Discussion and Analysis, forming part of this Annual Report, is annexed.

6. CORPORATE GOVERNANCE

A report on Corporate Governance is annexed as part of Annual Report along with the Auditors' Certificate on its compliance.

7. VOLUNTARY DELISTING OF EQUITY SHARES

The Company has applied for delisting of shares from Ahmedabad Stock Exchange Ltd. (ASE) and Jaipur Stock Exchange Ltd. (JSE), which is under process.

8. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules made thereof.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. CONSERVATION OF ENERGY**

Information required to be provided under 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 in relation to the Conservation of Energy and Technological Absorption are currently not applicable to the Company. However, the company requires energy for its operations and every effort is made to ensure the optimal use of energy, avoid misuse and conserve energy.

B. TECHNOLOGY ABSORPTION

The Company always keeps a check on global innovation and techniques to avail the latest technology trends and practices. The Company has not imported any technology or process in the financial year.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The Company had Foreign Exchange earnings and Outgo during the year under review, details as under.

Particulars	Current Year (2012-13)		Previous year (2011-12)	
	Earned	Outgo	Earned	Outgo
Foreign exchange	0	3564 USD	Nil	Nil

10. SUBSIDIARY

It is reported that the Company has no Subsidiary within the meaning of Section 4 of the Companies Act, 1956.

11. CONVENTIONAL AND NON-CONVENTIONAL FORM OF ENERGY & POWER

The Indian Renewable Energy Development Agency and the Ministry of Non-Conventional Energy Sources are formulating a programme to have solar and other energy & power in more than a million households in the next few years. India is one of the few countries with plenty of hydro, tidal, water, wind solar, wind available and could be easily harnessed. The Company decided to capitalize such opportunity which is plenty available and it has amended the Object Clause by inserting the new clauses that enable the company to engage itself and work in the field of conventional and non-conventional form of energy & power.

12. SOCIAL COMMITMENT

Our driving objective is to improve living and working condition of our workforce, their dependents and society as well. There has been a constant endeavor to interact with the workers on a day to day basis and promptly resolve the issues that surface up.

13. ENVIRONMENTAL EFFORTS

Company has obtained all the required certificates and License from Environment Control Regulators to check Safe and Environment friendly Operations. The Company is quite alert in providing clean environment on a continuous basis.

**14. SAFETY**

The Company has adequate system for Industrial Safety. In the said year the company has strengthen its fire safety equipment at its plant. The year under review continued to be NIL accident year.

15. DIRECTORS

Shri Suresh Baid, Independent Director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Anil Choudhury Legha who was appointed as an additional director till the ensuing AGM retires and offer himself to be re-appointed as an Independent director.

Mr. Tejvir Singh who was appointed as an additional director till the ensuing AGM retires and offer himself to be re- appointed as an Independent director.

16. STATUTORY AUDITOR & AUDITOR'S REPORT

M/s. Sarkar Gurumurthy & Associates, the auditor of the Company will retire at the conclusion of this Annual General Meeting and being eligible as per Section 224 (1B) of the Companies Act, 1956, they have expressed their willingness for re-appointment. It is proposed to re-appoint them as auditors for the financial year 2013-2014 and fix their remuneration.

There is no qualification in Auditors Report. Your Directors have no comments on the Auditor's Report since the Report itself is self explanatory.

17. DIRECTORS' RESPONSIBILITY STATEMENT U/S 217(2AA) of the Companies Act, 1956

The Directors confirm that:

- A. in the preparation of the annual accounts all applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- B. the Directors had 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 of the Company for that period;
- C. the Directors had 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;
- D. the Directors has prepared the annual accounts on a 'going concern' basis.

18. ACKNOWLEDGEMENTS

The Board records its sincere appreciation for the valuable support extended by the Company's Bankers, Financial Institutions and the Government Agencies. The Board also wishes to thank all its suppliers / customers / dealers / sub-dealers and all those associated with the Company. The Board further conveys cordial thanks to all the employees for their sincere works and takes this opportunity to thank Shareholders for their continued confidence reposed in the Management of the Company.

Place: Kolkata

Dated: 03rd September, 2013

For and on behalf of the Board

S.K. Bhansali

Chairman

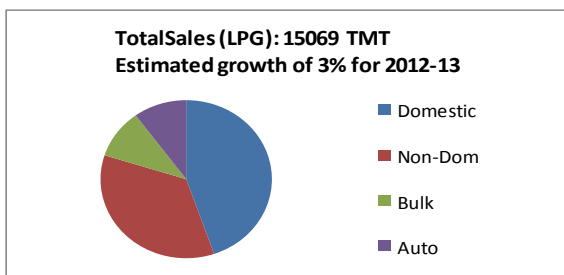


MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

India is working towards self-reliance in O&G segment and has immense potential to achieve the same, as about 80 per cent of the country's sedimentary area is yet to be explored. Recent large-scale oil and gas discoveries in the Krishna Godavari and Rajasthan basins have further consolidated India's confidence to achieve the targets. India stood out as one of the top contributors to growth in the refining sector in 2013, according to the International Energy Agency (IEA). The latest report released by the international entity shows that the country processed 4.5 million barrels per day (mbpd) of crude oil in October 2012, (680, 000 bpd higher than a year earlier).

Thus the market of LPG is growing and Government of India also takes many initiatives for growth of this sector. The Indian oil ministry has set targets to reduce energy import dependency from current 80 per cent to 50 per cent by 2020.



FINANCIAL PERFORMANCE REVIEW OF THE COMPANY

A critical appraisal is made by the Audit Committee before drawing Quarterly Statement of Accounts and the Board also reviewed the same on each occasion.

The company has outperformed in the year 2012-13 compared to the year 2011-12. Total income has gone up from 13,593 lakhs to 20,951 lakhs, operating profit from 384.96 lakhs to 527.39 lakhs and net profit before tax from 187.86 lakhs to 276.24 lakhs.

1. Share Capital – The company has authorised share capital of Rs. 1500 lakhs comprising of equity shares of face value Rs.10/- The paid up share capital is Rs.1500 lakhs . During the year company issued 64, 36,200 shares at a premium of Rs.7 per share.
2. Reserve and Surplus – Total accumulated profit as on 31/03/2013 is Rs. 1,047.94 lakhs.
3. Loan Profile – The Company has taken secured loan of Rs. 3.81 lakhs and the unsecured loan stands to Rs. 37.79 lakhs.
4. Fixed Assets – During the year under review, total additions to the gross block of assets was Rs. 40.67 lakhs. Full additional investment in fixed assets was funded out of internal accruals.
5. Investments – The Company has not made any fresh investment in capital market during the year.
6. Cash and Bank Balance – The Company had adequate liquidity of Rs.103.61. lakhs in the various Bank Accounts.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The company is engaged primarily in the business of bottling & trading of LPG. Hence Segment wise operational performance is not applicable.

OUTLOOK

The company has achieved its highest sales turnover during the year. In view of the undergoing economic reforms the prospect of the Industry seems certain. The Management of the Company has been keeping close watch to take this opportunity even at the risk of more investment in the sector. LPG will see growing consumption in India despite the availability of more natural gas from KG basin, Gail, etc. This is due to the ease of transportation unlike natural gas which requires huge investment in infrastructure such as pipelines and a gas grid. All segments of the LPG business, including Industrial supplies, Commercial LPG and Auto LPG dispensing stations are expected to see high growth.

The management has further decided to engage itself and work in the field of conventional and non-conventional form of energy and power. India is one of the few countries with plenty of hydro, tidal, water, wind solar, wind available and could be easily harnessed. The Indian Renewable Energy Development Agency and the Ministry of Non-Conventional Energy Sources are formulating a programme to have solar and other energy & power in more than a million households in the next few years. To grab this upcoming opportunity management has decided to import the renewable energy products and allied equipment to set up in India.

RISK & CONCERNS

The Management has taken steps to keep its position intact in the market which is predominated with stiff competition. Close and constant touch is being maintained with all the customers while trying to develop new customer base. The Company has also been in touch with its Suppliers so as to ensure un-interrupted regular supply of the product. Corporate Governance Policy clearly laying down roles, duties and responsibilities of various entities in relation to risk management is in place. Given below is a brief of the underlying risks:



- 1. Interest Rate Risk** – Few fixed and current assets are financed by Bank and Financial Institutions (FI) at different floating rates linked to prime lending rates of respective Bank/FI. Company has also taken term unsecured loan from bank at fixed rate. Accordingly, the company is exposed to cash flow interest rate risk on its secured loans. The company analyses its interest rate exposure regularly.
- 2. Credit Risk** - Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company makes advances to suppliers and vendors in the normal course of its business. The Company also makes advances to employees and places security deposits with related parties and restricted margin money deposits with banks. The majority of the Company's sales to its customers are on credit. These transactions expose the Company to credit risk on account of default by any of the counterparties. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of counterparties. The Company classifies all of its financial assets as 'loans and advances' and 'sundry debtors'.
- 3. Liquidity Risk** - Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The company ensures flexibility in funding by maintaining availability under committed credit lines.
- 4. Industrial Sales Dependency** – The largest contribution to the company's turnover is from supplies made to Reputed Industrial Houses. This scenario is due to the low developed Commercial cylinder market and non start of Auto LPG Retail Outlets (ALRO). Company is currently venturing and moving forward it's expected to be a major growth driver for the company de-risking its business model suitably.
- 5. Competitive Scenario** – The LPG is highly competitive industry with major stake of PSU's and MNC's in the industry. The company is proud to reiterate that its services cater to various segments of the market. The Company keeps close touch with customers and keeps close watch on new industrial developments to keep track of changing demand and supply trends.
- 6. Government Subsidy** - The major threat to our industry is again the subsidies provided by the Central Government to the PSU's only. The entire private sector faces competitive pressures from the PSUs, which enjoys access to lower costing due to the subsidies available to them. The company is thus basically focusing on commercial segment of LPG and Auto Gas where there is no subsidy allowance even by the government and company is also targeting the high class domestic consumer who prefers to pay then waiting for long for subsidised cylinders.
- 7. Market Risk** - Fluctuations in the demand supply gap in the future can have significant impact on the realizations and on the competitive scenario. The Company's objective therefore is to understand measure and monitor these risks regularly, and take appropriate measures to minimize their impact. The Company has taken several initiatives to mitigate the market risks associated with its operations. The company, over the years, has continuously invested in creating strong bond of relationship and brand image which have led to significant increase in market share in relevant markets. This has also helped the Company to command a premium on its products, even in relatively adverse market conditions. The company has further initiated a detailed micro-market analysis to foresee the demand supply situation in different markets.
- 8. Regulatory Risk** - There is a fair amount of regulatory control exercised by the Government on the LPG business. Legislative changes resulting in changes in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the business.
- 9. Alternate Fuel** - Natural Gas is slowly emerging as an alternative to LPG. Coal to liquid conversion based on coal gasification (CBM) is also a potential alternative, considering the abundance of coal in India in comparison to oil and gas. Other alternatives include Wind Power, Hydropower, Biomass, Solar thermal power, Ethanol and Bio-Diesel. The company is keeping close watch on the same and would be adding more product base in its basket in future.
- 10. Other Risks** - The other threats were higher cost of various inputs, higher transportation cost including increase in fixed cost from time to time. The strategies are constantly re-worked to minimize adverse implications, if any.

INTERNAL CONTROL SYSTEMS & ADEQUACY

The company has an adequate internal control system commensurate with the size and nature of its business. Internal audit programme covers various areas of activities and periodical reports are submitted to the management. The Audit Committee reviews financial statements and Internal Audit reports along with internal control systems. The Company has a well-defined organizational structure, authority levels and internal rules and guidelines for conducting business transactions.

CAUTIONARY STATEMENT

Statement in this report, particularly those which relate to Management Discussion and Analysis, description of company's objective, estimates and expectations may constitute forward looking statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.



REPORT ON CORPORATE GOVERNANCE

Company's philosophy on code of Governance

Eastern Gases Ltd. (EGL) is dedicated to achieve the highest level of integrity, transparency and accountability in our operations, financial results and public disclosures. We retain and enhance stakeholder trust by maximizing shareholders value while safeguarding and promoting the interests of other stakeholders and maintaining a commitment to ethics and code of conduct which is essential for sustained corporate growth. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief of doing business in the right way.

Belief of our Corporate Governance Philosophy

- ▶ Respect Accountability and Fairness towards all stakeholders.
- ▶ Creating value for all stakeholders without compromising on ethical principles.
- ▶ Comply with applicable laws and Regulations
- ▶ Clear communication of relevant information and high degree of Transparency
- ▶ Identification and Management of key risks for better performance of the Company.

EGL is in full compliance with the corporate governance norms and disclosures of clause 49 of the Listing Agreement with the Stock Exchanges. We inform our financial results and other relevant disclosures & developments in a clear and timely manner through print and electronic media. The company files its quarterly, half yearly, annual results and quarterly shareholding patterns in a manner and within such time as prescribed by the Stock Exchanges. In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board.

BOARD OF DIRECTORS

At the helm of the Corporate Governance practice is its Board. The Board provides strategic direction to the company's senior management and oversees the interests of all stakeholders.

Composition of Board of Directors

Your Board consists of eminent directors who have the diverse experience and expertise necessary to serve effectively on the Board and its committees which may include financial, business and other expertise as determined by the Board. The size and composition of the Board confirms to the requirement of the Corporate Governance code under the Listing Agreement with the Stock Exchanges.

None of the Directors on the Board holds the office of director in more than 15 companies or memberships in committees of the Board in more than 10 committees or Chairmanship of more than 5 committees.

The present strength of board is 3 Directors and meets the requirement of not less than 50% being non-executive Directors. During the year 2012-13 nine board meetings were held on 18th April' 2012, 31st May' 2012, 31st July' 2012, 3rd September' 2012, 26th September' 2012, 31st October' 2012, 20th November' 2012, 31st January' 2013 and 28th March' 2013.

The Composition of Directors and their attendance at the Board Meeting during the year ended on 31st March 2013 and the last Annual General Meeting as also number of other directorships, committee memberships and chairmanships held by them are given below :-

Directors	Category	Attendance Particulars	Last AGM	No. of other Directorship and Committee Membership/Chairmanship held		
				Directorship	Committee Membership	Committee Chairmanship
Shri S.K.Bhansali	Whole Time Director	9	YES	13	NIL	NIL
Shri B.S.Baid*	Non-Executive, Independent	7	YES	1	1	1
Shri P.K.Bhansali*	Non-Executive Director	3	NO	3	NIL	1
Shri Suresh Baid	Non-Executive, Independent	9	YES	10	1	2
Shri Debabrata Choudhury*	Non-Executive, Independent	2	NO	2	NIL	NIL



Notes:

- The Directorship held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies as exempt under section 278 of the Companies Act, 1956
- In accordance with Clause 49, Membership/ Chairmanships of only the Audit Committee and Shareholders/ Investors Grievance Committees of all public limited companies have been considered.
- None of the Non-Executive directors have any pecuniary relationship or transactions with the company other than for holding directorship and receiving sitting fees.
 - P.K Bhansali resigned on 20/08/2012
 - Shri B.S Baid resigned on 31/01/2013
 - Shri Debabrata Choudhury appointed on 31/01/2013

Board Agenda

Agenda papers for the Board meetings are generally circulated seven days prior to dates of the meetings. All major issues included in the Agenda are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

Information Supplied to the Board

The Board has complete access to all information with the company. The agenda and papers for consideration of the Board are circulated at least three days prior to the date of the Board Meeting. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the company.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer, etc
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer, etc.



The Board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

DIRECTORS' SHAREHOLDING

Shareholding of the Directors in the Company as on 31st March, 2013 is as follows:

Names of Directors	No. of shares held	% of holding.
Shri S.K.Bhansali	357400	2.38

In terms of Article 129 of the Articles of Association of the Company, the Directors are not required to hold any qualification shares.

CODE OF CONDUCT

The Board has framed a code of conduct for all Board members and senior management personnel of the Company focusing transparency, accountability & ethical expression in all acts and deeds. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. The Code of Conduct is soon to be posted on companies. A certificate of affirmation in this regard is appended.

DECLARATION UNDER CLAUSE 49(I)(D)(II)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31st, 2013.

On behalf of the Board of Directors

Kolkata

Dated: 03rd September'2013

S.K.Bhansali

Chairman

RISK MANAGEMENT

The Company has a risk management framework in place under which the management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as and when required. The Company periodically place before the Board the risk assessment and minimisation procedures being followed by the company and steps taken by it to mitigate those risks through a properly defined framework.

COMMITTEES OF THE BOARD

The Company has three Committees as follows:

1. Audit Committee
2. Remuneration Committee
3. Share transfer/Investors' Grievance Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members is taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are as follows:

1. Audit Committee

The Audit committee had four meetings during the year 2012-13 on 31st May 2012, 30th July 2012, 31st October 2012 and 31st January 2013 and the gap between two meetings did not exceed four months. All the meetings were properly convened and conducted. The composition of audit committee and attendance of its meetings is given hereunder:

Member	Position	No. of meetings	
		Held	Attended
Mr. Suresh Baid	Chairman	4	4
Mr. Bijay Singh Baid	Member	3	3
Mr. P.K. Bhansali	Member	2	2
Mr. Debabrata Choudhury	Member	1	1

The Audit Committee is empowered, pursuant to its terms of reference, inter-alia:

- To investigate any activity within its terms of reference
- To seek any information it required from any employee
- To obtain legal or other independent professional advice
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.



The Role of Audit Committee:-

Terms of reference of the Audit Committee as stipulated by the board and as per section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges includes review of the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit reports relating to internal control weaknesses;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal; of the statutory auditor and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Reviewing, with the Management, the annual financial statements before submission to the board for approval, with particular reference to:
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter thereon to the Board;

The Audit Committee has reviewed the information placed before it, as required under sub clause II (E) of clause 49 of listing agreement.

The audit committee meetings are held at the registered office and are attended by the Internal Auditors and the Finance head. A representative of the Statutory Auditors is also invited. The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising three Non-Executive Directors and two Independent Directors. Mr. Suresh Baid who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries raised by the Shareholders regarding Audit and Accounts.

2. Remuneration Committee

A) Composition of the Committee

The present composition of the Remuneration Committee containing independent directors and attendance of the Committee members are as follows:

Member	Position Held	No. of meetings	
		Held	Attended
Mr.Suresh Baid	Chairman	1	1
Mr. Debabrata Choudhury	Member	1	1

B) Terms of Reference of the Committee

The Committee shall have authority to deal with the matters specified under the Companies Act, 1956 and the terms of reference of the Committee are as under:

- Any fixation/change in remuneration of Whole Time Directors/Managing Director.
- Any fixation/change in sitting fees payable to Board/Committee members for attending meeting.
- To review the existing remuneration of the executives (GM level and above) and to approve any changes thereof.

C) Remuneration to Directors

Executive Directors -The Company has paid remuneration by way of salary to its Whole Time Director in terms of the resolutions passed at the General Meetings of the Company under Section 269, 309 and other applicable provisions of the Companies Act, 1956 and the resolution passed in that behalf by the Remuneration Committee/Board of Directors duly constituted pursuant to Schedule XIII of the Companies Act, 1956.

Details of remuneration paid to Directors during the year 2013-14 are given below:



Director	Remuneration Package (Rs.)	Fixed component and incentives (Rs.)
Mr. S.K. Bhansali	12,60,000/-	NIL

Non-Executive Directors - During the year no sitting fee/commission was paid to any Non-Executive Director for attending the meeting of the Board of Directors and for Committees thereof.

The Company does not have an incentive plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

3. Investors'/Shareholders Grievance Committee

1. Composition of the Committee

The composition of Investors/Shareholders Grievance committee and attendance at its meeting is given hereunder:

Member	Position	No. of meetings	
		Held	Attended
Mr. P.K.Bhansali	Chairman	1	1
Mr. Suresh Baid	Member	1	-
Mr. B.S.Baid	Member	1	1

2. Terms of Reference

The terms of reference of the Investors' Grievance Committee are as follows:

- To review and ensure compliance of statutory provisions of the Companies Act, the guidelines of SEBI and the Stock Exchanges and other statutory requirements relating to transfer and transmission of shares of the company.
- To review and ensure that the Registrar/Company's Transfer House implements all statutory provisions as above.
- Approve transfer/transmission of shares and demat/remat of the shares.
- Approve issue of duplicate share certificates, consolidate/sub-division of share certificates on completion of the procedures as may be stipulated.
- Redressal of Shareholders/Investors queries, grievance and complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc in an expeditious manner.
- Any other matter referred by the Board relating to equity shareholders of the Company.

3. Compliance Officer

Mrs. Swati Basu is the compliance officer, complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing requirements with the Stock Exchanges.

4. Investor Grievance Redressal

Details of Shareholders/Investors complaints/ request for action :	
Received during the year	NIL
Resolved to the satisfaction of complaint	NIL
Pending	NIL
Pending Transfers	NIL

The Company has attended to most of the investors grievances/correspondences within a period of ten days from the date of receipt of the same. While almost all the rest were attended within a period of 21 days. All transfers were completed within 30 days.

INSIDER TRADING CODE

This code is applicable to all Directors and designated employees and seeks to prevent dealing in Company's shares by persons having access to unpublished, price sensitive information. Compliance Officer regularly monitors all transactions, in terms of the said Code, undertaken by designated employees of the Company. The Company also informs the stock exchanges periodically about the transactions undertaken by the Directors and designated employees and their share holdings as per the regulations.

GENERAL BODY MEETING

Particulars of last three years Annual General Meetings:



Financial year	Date	Time	Location
2011-12	Sept. 29,2012	11.00 AM	Smriti Charitable Medicle Centre, 81, K.P.Roy Lane, Haltu, Kolkata - 700078
2010-11	Sept.30,2011	11.00 AM	Smriti Charitable Medicle Centre, 81, K.P.Roy Lane, Haltu, Kolkata - 700078
2009-10	Sept.30,2010	11.00 AM	Shyamal Smriti Parisad, 30, Nagen Ghosh Lane, Kolkata – 700031

No special resolution was passed through postal ballot in the last AGM. No special resolution requiring postal ballot as recommended under clause 49 of the listing Agreement with Stock Exchanges is being proposed at the ensuing AGM.

Disclosures

1. Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

2. Related Party Transactions

Disclosure on materially significant related party transactions i.e., transactions of the company of material nature with its promoters, the Directors or the management, their subsidiaries relatives etc that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

3. Status of Regulatory Compliances

The Company has complied with all the requirements of the Listing Agreements with Stock Exchanges as well as the regulations and guidelines of SEBI and other statutory authorities. Consequently, there are no strictures and penalties imposed on any matter relating to capital markets during the last three years.

4. Whistle Blower Policy

The Company does not have a Whistle Blower Policy. But the employees are free to communicate their concerns and/or reports, unethical happenings to the Management and/or Board through officers and even direct communication of the employee to Audit Committee/Board is entertained.

5. Public, Rights and other Issues

During the year 2012 -2013, the company made Preferential issue of 64,30,200 equity shares at a premium of Rs.7 per share.

6. Compliance with Clause 49 of Listing Agreement

The Company has complied with all the mandatory requirement of clause 49 of the Listing Agreement with stock exchanges. As regards non-mandatory requirements, the extent of compliance has been stated in this report.

CMD/CFO CERTIFICATION

The Company is duly placing a certificate to the Board from CMD/CFO in accordance with the provisions of Clause 49 (V) of the Listing Agreement regarding the accuracy of financial statements and adequacy of internal controls for financial reporting purposes.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

MEANS OF COMMUNICATION

› Quarterly Results:

Quarterly Results are published in leading English dailies and in local vernacular newspaper having wide circulation in West Bengal.

› News Release, Presentation etc.:

Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website.

› Website:

The Company's website www.eastgas.co.in carries a separate dedicated section 'Investor Relations' where shareholders information is available. Full Annual Report is also available on the website in a user-friendly and downloadable form.

› Annual Report:

Annual Report containing, inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) and Corporate Governance Report form part of the Annual Report.

› Corporate filing with Stock Exchanges:



All announcements, Quarterly Results, Shareholding Pattern etc. of the Company are also filed with the Stock Exchanges within prescribed timeline.

PROFILE OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT

Details of Directors seeking re-appointment at the ensuing Annual General Meeting as required under Clause – 49 of the Listing Agreement with Stock Exchanges is given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting as 'Additional information'

SUBSIDIARY COMPANIES

Clause 49 defines a "Material Non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. The Company doesn't have any subsidiary companies in the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis Report forms a part of the Annual Report and includes discussion on various matters specified under Clause 49[IV][F] of the Listing Agreement. The said report is appearing elsewhere in the Annual Report.

GENERAL SHAREHOLDER INFORMATION

1. **18th Annual General Meeting:**
 - Date : September 28, 2013
 - Time : 11:00 A.M.
 - Venue : Smriti Charitable Medical Centre, 81, K.P.Roy Lane, Haltu, Kolkata - 700078

2. **a. Financial Year** : **2012-13**

- b. Financial Calendar** : **April – March (2013-2014) (tentative)**
 - (i) First Quarter results : July 31, 2013
 - (ii) Second Quarter results : By end of October, 2013
 - (iii) Third Quarter results : Be end of January, 2014
 - (iv) Fourth Quarter & Annual results : By end of May/June 2014

3. **Book Closure Date** : September 22, 2013 to September 28, 2013
(both days inclusive)
4. **Dividend payment date** : The Board of Directors has not recommended any dividend for the financial year 2012-13.

5. **Secretarial Audit Calendar (tentative)**
 - (i) First Quarter : July 31, 2013
 - (ii) Second Quarter : By end of October, 2013
 - (iii) Third Quarter : By end of January, 2014
 - (iv) Fourth Quarter : By end of April 2014

6. **Listing of Equity shares in Stock Exchanges and Stock Codes**

Name of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Association Ltd.	015066
Bombay Stock Exchange Ltd.	590080

The annual listing fee for the period 2012-13 has been paid to the Stock Exchange.

Note: The Company has made an application for delisting of Equity Shares from Ahmedabad and Jaipur Stock Exchange and active follow up is being made with the stock exchanges.

7. **Demat ISIN for NSDL & CDSL** : INE 846 C 01014

8. **Registrar and Share Transfer Agent** : S.K.Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street, Kolkata – 700006
Tel : 22194815/22196797 / Fax: 22194815
Email: mail@skcomputers.net, agarwalsko@rediffmail.com

9. **Share Transfer System:** S.K.Infosolutions Pvt. Ltd. the Registrar and Share transfer Agent of the Company, process transfer, sub-division, consolidation, splitting, etc, of shares in physical form in close co-ordination with the Company



and the same are approved by the Investors Grievance Committee of the Company. Share transfer etc., are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respect and the Dematerialization requests are confirmed within 21 days from the dates of lodgment thereof.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

There are no legal proceedings against the Company on any share transfer matter.

10. Name and Address of Compliance Officer : Mrs. Swati Basu
 Eastern Gases Ltd.
 43 Palace Court, 1 Kyd Street, Kolkata – 700016
 Phone: 033-22299897
 Fax : 033-22496826
 Email : cs@eastgas.co.in

11. Email id for Investor Grievances : cs@eastgas.co.in

During the financial year 2012-13 queries/complaints/requests were received by the Company from Shareholders and almost all of which have been satisfactorily replied.

12. Bottling plant location : 1) DE-Gaul Avenue, Khairasole, Durgapur, West Bengal
 : 2) Survey no 124/1, Budihal, Nelamangala, Taluk , Bangalore.
 : 3) 4th Floor Venus Plaza Begumpet, Bibinagar,
 Nalgonda, Hydrebad-500016

13. Addresses for Correspondences : Registered Office : 43 Palace Court, 1 Kyd Street,
 Kolkata – 700016

14. Market Price Data : The monthly high low data on Bombay Stock
 Exchange Ltd. from April' 12 to March'13 is given below

Price	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
High	17.50	17.60	17.85	18.60	17.00	17.00	21.90	26.50	18.10	18.70	17.30	17.45
Low	16.05	15.20	14.50	16.50	14.00	15.20	15.10	16.85	17.00	16.65	16.45	15.60

Source: BSE website.

I) Distribution of Shareholding as on 31st March, 2013				
SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF	SHARE HOLDERS		SHARE AMOUNT	
	Rs.	Number	% to Total	In Rs.
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	1771	62.08	578908	3.86
5,001 - 10,000	699	24.50	556401	3.71
10,001- 20,000	188	6.59	249113	1.66
20,001-30,000	36	1.26	90775	.61
30,001- 40,000	20	.70	73496	.48
40,001-50,000	12	.42	56615	.38
50,001-1,00,000	30	1.05	240856	1.61
1,00,001 and above	97	3.40	13153836	87.69
TOTAL	2853	100.00	15000000	100.00



ii) Share holding pattern as on 31st March 2013

Category	No. of Shares	% of Shares
A. PROMOTORS HOLDING :-		
1. Indian Promoters	1573214	10.49
2. Persons Acting in Concert	6161266	41.08
B. NON-PROMOTERS HOLDING :-		
1. Institutional Investors	--	--
2. Others :-		
a. Private Corporate Bodies	3322832	22.15
b. Indian Public	3875925	25.84
c. NRIs/OCBs	66763	.45
TOTAL	15000000	100.00

CATEGORYWISE DISTRIBUTION OF SHARES AS ON 31/03/2013				
Category Description	No of Shareholders	% To Total Shareholders	No of Shares	% To Total Shares
Residential Individual	2716	95.20%	3875925	25.84%
Domestic Company	49	1.74%	3322832	22.15%
Non Residential Individuals	43	1.60%	66763	0.45%
Foreign Companies	0	0.00%	0	0.00%
Mutual Funds	0	0.00%	0	0.00%
Financial Institutions	0	0.00%	0	0.00%
Banks	0	0.00%	0	0.00%
Directors and their Relatives	17	0.75%	1573214	10.49%
Promoter Companies	28	0.85%	6161266	41.08%
Foreign Institutional Investors	0	0.00%	0	0.00%
Others	0	0.00%	0	0.00%
TOTAL	2818	100.00%	15000000	100.00%

Dematerialisation of Shares & liquidity

Trading in the Company's shares is permitted only in dematerialised form for all investors as per notifications issued by the SEBI. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrars S.K.Infosolutions Pvt. Ltd. to enable shareholders to hold their shares in electronic form and to facilitate script less trading.

Share Dematerialisation Records

Status of Dematerialisation of shares and Physical form of shares as on 31st March, 2013

Particulars	No. of shares	% to Capital
NSDL	4399784	29.33
CDSL	1031715	6.88
Dematerialized(A)	5431499	36.21
Physical (B)	9568501	63.79
Total (A+B)	15000000	100.00

Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

Secretarial Audit

As stipulated by SEBI, a qualified Practicing Company Secretaries, M/s. D.K.Sarawagi & Co. conducts the Secretarial Audit of the Company every quarter for a limited purpose of reconciliation of the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialize form (held with NSDL and CDSL) and total number of shares in physical form..



The quarterly Secretarial Audit Reports which were placed before the Board of Directors were also sent in time to both the Stock Exchanges where the Company's shares are listed.

NON-MANDATORY DISCLOSURES

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

Remuneration Committee:-

The remuneration of the Executive Directors is approved at the Board meeting wherein the executive directors do not participate and vote on the resolutions considering their remuneration package. Hence in the opinion of the Board, there is no conflict of interest in the determination of remuneration package to the Executive Directors and the same is in consonance with the provisions of the Companies Act 1956.

Facilities for Non-Executive Chairman:-

The Non-Executive Chairman has been provided need based facilities to discharge his responsibilities effectively.

Shareholders Rights:-

The quarterly results of the Company are being published in newspapers and www.eastgas.co.in along with timely filed with Stock Exchanges. The results are not sent to the shareholders individually.

Training of Board Members:-

The present Board of Directors consists of well experienced and responsible members of the society. All the directors are well aware of business model as well as the risk profile of the business parameters of the Company and their responsibilities as directors, so no training mechanism is followed by the company. However, periodical briefings are made to the directors about the business model & risk profile of the Company.



AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

**TO,
THE MEMBERS OF EASTERN GASES LTD.**

We have reviewed the implementation of Corporate Governance procedures by EASTERN GASES LTD. during the year ended on 31st March 2013, with the relevant records and documents maintained by the Company, furnished to us for our review and we have examined the compliance of Corporate Governance as stipulated in sub clause f Clause 49 of the Listing Agreements of the Company with the Stock Exchange(s).

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

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance; It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

On the basis of our review and in our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement (s) with the stock exchange (s).

Place : Kolkata
Dated : 31st May, 2013

FOR SARKAR GURUMURTHY & ASSOCIATES

Chartered Accountants
(Firm Regn.No: 314062E)

Parimal Sarkar
(Partner)

M.No. 051550

**Independent Auditor's Report****To the Members of EASTERN GASES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Eastern Gases Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR SARKAR GURUMURTHY & ASSOCIATES

Chartered Accountants
(Firm Regn.No: 314062E)

Parimal Sarkar
(Partner)

M.No. 051550

Place : Kolkata
Dated : 31st May, 2013



The Annexure referred to in paragraph 1 of our report of even date to the members of Eastern Gases Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us the fixed assets have been physically verified by the management during the year in a phased / Periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, Company has not disposed of any substantial/major part of fixed assets, so the question of going concern being affected does not arise.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our Opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b),iii(c) and iii(d) of the order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories and fixed assets, payment for expenses & for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to section 301 of the companies Act, need not be entered in the register required to be maintained under that section as the promoter director holds less than 2% of the paid up share capital of the other company.
(b) According to the information and explanations given to us there are no transactions of purchase of goods and material in excess of Rs. 5 lakhs during the year with the parties covered under section 301 of the companies Act, 1956.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the Provisions of Section 58A of the Companies Act, 1956 and rules there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company. As explained to us the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 are not prescribed by the Central Government.
- ix. According to the records of the Company and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income -Tax, Sales Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and other Statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- x. The Company has not incurred cash losses during current and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit fund/Societies are not applicable to the Company.
- xiv. Based on our audit procedures and to the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the company is maintaining proper record of the transactions and contracts of dealing in shares and securities and that timely entries have been made in these records.



- xv. Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the company has not given any guarantees for loan taken by others, from a bank or financial institution.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us the company has raised term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company and vice versa.
- xviii. The Company has made preferential allotment to parties and companies during the year not covered under register maintained Under Section 301 of the Companies Act, 1956, and the price at which shares have been issued is not prejudicial to the interest of the company.
- xix. According to the information and explanations given to us, and the records examined by us, the Company has not issued any debentures hence no question of creation of securities arises.
- xx. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

FOR SARKAR GURUMURTHY & ASSOCIATES

Chartered Accountants
(Firm Regn.No: 314062E)

Parimal Sarkar
(Partner)

M.No. 051550

Place: Kolkata
Dated: 31st May, 2013



EASTERN GASES LTD.

Balance Sheet as at 31 March 2013

(Rs. in lacs)

Particulars	Note No.	31-Mar-13	31-Mar-12
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUND			
(a) Share Capital	1	1,500.00	856.98
(b) Reserves and Surplus	2	1,047.94	379.85
(2) Share Application Money Pending Allotment		-	505.00
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	3	41.60	41.83
(b) Other Long Term Liabilities	4	155.64	502.68
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	5	1,850.92	1,005.59
(b) Trade Payables		1,843.47	1,492.42
(c) Short Term Provisions	6	62.59	36.37
TOTAL		6,502.16	4,820.72
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
Tangible Assets	7	828.36	850.59
(b) Deferred Tax Assets (net)	23.3	28.14	27.91
(c) Other Non-Current Assets	8	45.52	33.53
(2) CURRENT ASSETS			
(a) Inventories		71.43	49.66
(b) Trade Receivables	9	4,719.39	3,278.20
(c) Cash And Cash Equivalents	10	103.61	99.98
(d) Short Term Loans And Advances	11	697.69	472.03
(e) Other Current Assets	12	8.02	8.82
TOTAL		6,502.16	4,820.72
Significant Accounting Policies	21		
Notes on Financial Statements	22-24		
As per our report of even date For Sarkar Gurumurthy & Associates Chartered Accountants (Registration No. 314062E)		For and behalf of the Board <u>Eastern Gases Ltd.</u>	
Parimal Sarkar Partner Membership No. : 051550 Place : Kolkata Date: 31st May, 2013	S.K.Bhansali Director	S.Baid Director	



EASTERN GASES LTD.

Profit and Loss Statement for the year ended 31st March 2013

(Rs. in lacs)

Particulars	Note No	31-Mar-13	31-Mar-12
I. Revenue from operations	13	20,951.24	13,593.26
II. Other Income	14	17.17	10.93
III. Total Revenue (I +II)		20,968.41	13,604.19
Expenses:			
Purchases of stock-in-trade		20,263.47	12,974.42
Change in inventories of stock-in-trade	15	(21.77)	91.76
Employees benefits expense	16	31.05	29.04
Financial costs	17	268.33	208.03
Depreciation and amortisation expense	18	67.41	58.95
Other expenses	19	83.69	54.13
IV. Total Expenses		20,692.17	13,416.33
V. Profit before tax (III-IV)		276.24	187.86
Tax expense:			
(a) Current tax expense for current year		61.11	34.83
(b) Current tax expense relating to prior years		(2.62)	1.93
(c) Deferred tax		(0.23)	3.67
VI. Total Taxes		58.26	40.43
VII. Profit/(Loss) for the period (V-VI)		217.98	147.43
VIII. Earning per equity share:			
Basic & Diluted (in Rs.)		2.39	1.72
Significant Accounting Policies	21		
Other Notes on Financial Statements	22-24		

As per our report of even date
For Sarkar Gurumurthy & Associates
Chartered Accountants
(Registration No. 314062E)

For and behalf of the Board
Eastern Gases Ltd.

Parimal Sarkar
Partner
Membership No. : 051550
Place : Kolkata
Date: 31st May, 2013

S.K.Bhansali
Director

S.Baid
Director



Cash Flow Statement for the year ended 31 March, 2013

(Rs. in lacs)

Particulars	31/Mar/13	31/Mar/12
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	276.24	187.86
<u>Adjustments for:</u>		
Depreciation and amortisation	67.41	58.95
Misc. Expenses amorted	0.00	0.01
Finance Cost	268.33	208.03
Interest Income	(8.33)	(7.26)
	603.65	447.59
Operating profit / (loss) before working capital changes		
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(21.77)	91.76
Trade receivables	(1441.19)	(1086.01)
Short-term loans and advances	(206.30)	(7.21)
Other current assets	0.80	(4.00)
Other non-current assets	(16.41)	3.67
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	351.05	534.17
Proceeds from short term borrowings	845.33	(107.17)
Short-term provisions	0.06	0.20
	(488.43)	(574.59)
Cash generated from operations	115.22	(127.00)
Net income tax (paid) / refunds	(51.78)	(35.24)
Net cash flow from / (used in) operating activities (A)	63.44	(162.24)
B. Cash flow from investing activities		
Interest Income	8.33	7.26
Capital expenditure on fixed assets	(40.67)	(254.80)
Net cash flow from investing activities (B)	(32.34)	(247.54)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1093.13	59.21
Share application money received / (refunded)	(505.00)	505.00
Finance Cost	(268.33)	(208.03)
Repayment of other long term liabilities	(347.04)	70.03
Repayment of long-term borrowings	(0.23)	(1.33)
Net cash flow from / (used in) financing activities (C)	(27.47)	424.88
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	3.63	15.10
Cash and cash equivalents at the beginning of the year	99.98	84.88
Cash and cash equivalents at the end of the year	103.61	99.98
As per our report of even date		
For Sarkar Gurumurthy & Associates	For and behalf of the Board	
Chartered Accountants	Eastern Gases Ltd.	
(Registration No. 314062E)		
Parimal Sarkar	S.K.Bhansali	S.Baid
Partner	Director	Director
Membership No. : 051550		
Place : Kolkata		
Date : 31st May, 2013		



Notes forming part of the financial statements

NOTE 1 - SHARE CAPITAL

(Rs. in lacs)

Particulars	31-Mar-13	31-Mar-12
Authorised		
1,50,00,000 Equity Shares of Rs. 10/- Each (P.Y 1,00,00,000 Equity Shares of Rs. 10/- Each)	1,500.00	1,000.00
Total	1,500.00	1,000.00
Issued, Subscribed & Fully Paid Up		
1,50,00,000 Equity Shares of Rs. 10/- Each (P.Y 85,69,800 Equity Shares of Rs. 10/- Each)	1,500.00	856.98
Total	1,500.00	856.98

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule VI to the Companies Act,

Terms & Rights attached to equity shares :

(i) The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

(ii) In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportionate to the number of Equity share

(iii) None of the shareholders are holding more than 5% of Equity Shares in the company.

NOTE 2 - RESERVE & SURPLUS

Particulars	31-Mar-13	31-Mar-12
Profit and Loss Account		
As per last Balance Sheet	379.85	232.42
Add: Profit for the year	217.98	147.43
Securities premium reserve	450.11	-
Total	1,047.94	379.85

NOTE 3- LONG TERM BORROWINGS

Particulars	31-Mar-13	31-Mar-12
Term Loans		
from Banks - Secured	3.81	10.38
from other parties - Unsecured	37.79	31.45
Total	41.60	41.83

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Outstanding Balance and Security	31-Mar-13
		Secured
Term loans from banks:		
ICICI Bank Ltd.	Against CV - 38 EMI of Rs 9260 incld. int.	2.91
HDFC Bank Ltd.	Against Car - 18 EMI of Rs.5436 incld. int.	0.9
Total - Term loans from banks		3.81
Term loans from other parties		Unsecured
Magma Fincorp Ltd.	10 EMI of Rs.124785 incld. int.	15.34
Magma Fincorp Ltd.	26 EMI of Rs.105568 incld. Int.	22.45
Total - Term loans from others		37.79



Notes forming part of the financial statements

NOTE 4 - OTHER LONG-TERM LIABILITIES

(Rs. in lacs)

Particulars	31-Mar-13	31-Mar-12
(a) Security Deposit/ Performance Deposit	153.67	500.71
(b) Others liabilities payable after 1 year	1.97	1.97
Total	155.64	502.68

NOTE 5 - SHORT TERM BORROWINGS

Particulars	31-Mar-13	31-Mar-12
<u>Secured</u> Loans repayable on demand from banks	1,850.92	1,005.59
Total	1,850.92	1,005.59

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	31-Mar-13	31-Mar-12
<u>Loans repayable on demand</u> from banks: (Secured by charge over present and future current assets, plant and machinery at Durgapur Bottling Plant and Paschim Medinipur Retail Outlet)	1,850.92	1,005.59
Total - from banks	1,850.92	1,005.59

NOTE 6 - SHORT TERM PROVISIONS

Particulars	31-Mar-13	31-Mar-12
(a) Provision for employee benefits	0.05	0.02
(b) <u>Others:</u>		
TDS Payable	0.76	0.82
Salary Payable	0.62	0.49
Other payables	0.06	0.21
Provision for Taxation	61.11	34.83
Total	62.59	36.37



EASTERN GASES LTD.

Notes forming part of the financial statements													
<u>NOTE 7 - FIXED ASSETS</u>													
Particulars of Depreciation as per Company Act 1956												(Rs. in Lacs)	
Fixed Assets	As at 01.04.2012	Gross Block		Depreciation		Net Block		As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	As at 31.03.2012		
		As at 01.04.2012	Additions/ (Disposals) 31.03.2013	As at 01.04.2012	For the year	As at 31.03.2013	As at 31.03.2013						
Tangible Assets													
A. Land & Development - Leasehold	240.10	-	240.10	0.51	-	240.10	240.10	240.10	240.10	240.10	240.10		
B. Building	294.60	0.37	294.97	73.66	9.54	83.20	211.77	220.94	220.94				
C. Plant , Machinery and Equipment	439.82	4.87	444.69	137.63	26.03	163.66	281.03	302.19	302.19				
D. LPG Cylinders	160.98	27.27	188.25	119.67	18.67	138.34	49.91	41.31	41.31				
E. Furniture and Fixtures	0.44	-	0.44	0.22	0.03	0.25	0.19	0.22	0.22				
F. Vehicles & Motor car	60.76	4.09	64.85	16.86	7.00	23.86	40.99	43.90	43.90				
G. Office Equipments	9.01	4.07	13.08	7.08	1.63	8.71	4.37	1.93	1.93				
Total	1,205.71	40.67	1,246.38	355.63	62.89	418.02	828.36	850.59	850.59				

Note:
The company has negligible amount of Softwares (Intangible Fixed Assets) and thus the same has been clubbed with Office Equipment



Notes forming part of the financial statements

NOTE 8 - OTHER NON CURRENT ASSETS

(Rs. in Lacs)

Particulars	31-Mar-13	31-Mar-12
Unamortised Expenses		
(a) Share issue expenses	16.41	-
(b) Prepaid Expenses	29.11	33.53
Total	45.52	33.53

NOTE 9 - TRADE RECEIVABLES

Particulars	31-Mar-13	31-Mar-12
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4,632.05	3,189.76
Total	4,632.05	3,189.76
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	88.57	89.67
Less: Provision for doubtful debts	1.23	1.23
Total	87.34	88.44
Total	4,719.39	3,278.20

NOTE 10 - CASH AND CASH EQUIVALENTS

Particulars	31-Mar-13	31-Mar-12
(a) Balances with banks		
(i) In current accounts	0.70	0.22
(ii) In deposit accounts	0.80	0.80
(iii) In earmarked accounts		
- Balances held as margin money or security against borrowings (Refer Note (1) below)	74.00	77.77
(b) Cash in hand	28.11	21.19
Total	103.61	99.98

Notes:

(1) Balances with banks include deposits/margin money amounting to Rs. 25000.00 (as at 31st March, 2013) which have an original maturity of more than 12 months.



Notes forming part of the financial statements

NOTE 11 - SHORT TERM LOAN AND ADVANCES

(Rs. in Lacs)

Particulars	31-Mar-13	31-Mar-12
(a) Security deposits		
Unsecured, considered good	42.60	42.60
(b) Loans and advances to employees		
Unsecured, considered good	0.99	1.07
(c) Balances with government authorities		
(i) CENVAT credit receivable	3.83	3.83
(ii) VAT credit receivable	0.69	0.69
(iii) Service Tax credit receivable	0.02	0.02
(iv) IT Refundable	7.73	6.72
(v) TDS	6.25	0.69
(vi) Advance IT	45.32	32.53
(vii) Fringe Benefit Tax Refundable	0.32	0.32
(d) Advances receivable in cash or in kind or for value to be received		
Unsecured, considered good	589.94	383.56
Total	697.69	472.03

NOTE 12 - OTHER CURRENT ASSETS

Particulars	31-Mar-13	31-Mar-12
(a) Accruals		
(i) Interest accrued on deposits	8.02	8.82
Total	8.02	8.82



Notes forming part of the financial statements

NOTE 13 - REVENUE FROM OPERATIONS

(Rs. in lacs)

Particulars	31-Mar-13	31-Mar-12
Gross Sales	20,951.24	13,593.26
Less: Taxes		
Excise duty	-	-
Sales tax	-	-
Net sales	20,951.24	13,593.26
Total	20,951.24	13,593.26

NOTE 14 - OTHER INCOME

Particulars	31-Mar-13	31-Mar-12
Interest Received	8.33	7.26
Other Misc. Income	8.84	3.67
Total	17.17	10.93

NOTE 15 - CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	31-Mar-13	31-Mar-12
Inventories at the end of the year:		
Stock-in-trade	71.43	49.66
Inventories at the beginning of the year:		
Stock-in-trade	49.66	141.42
Net (increase) / decrease	(21.77)	91.76

NOTE 16 - EMPLOYEE BENEFITS EXPENSE

Particulars	31-Mar-13	31-Mar-12
(a) Salaries and wages		
(i) Employees Salaries & wages	17.82	16.83
(ii) Salary to director	12.60	11.76
(b) Contributions to		
(i) Provident Fund	0.23	0.18
(ii) Gratuity	0.08	-
(iii) ESI	0.20	0.18
(c) Staff welfare expenses	0.12	0.09
Total	31.05	29.04



Notes forming part of the financial statements

NOTE 17 - FINANCE COSTS

(Rs. in lacs)

Particulars	31-Mar-13	31-Mar-12
(a) Interest expense		
Interest on car loan	0.42	0.19
Interest on CC	162.33	181.27
Interest on Term Loan	7.80	9.17
Other Interests	0.04	1.00
(b) Other financial costs	97.74	16.40
Total	268.33	208.03

NOTE 18 - DEPRECIATION & AMORTISATION EXPENSE

Particulars	31-Mar-13	31-Mar-12
Depreciation for the year	62.89	58.95
Amortisation expenses	4.52	-
Total	67.41	58.95

NOTE 19 - OTHER EXPENSES

Particulars	31-Mar-13	31-Mar-12
Audit Fees	0.19	0.19
Advertisement	0.73	0.52
Commission	3.54	1.94
Donation	9.08	2.89
Entertainment	0.04	0.05
Freight	5.86	10.22
Hotel, Boarding & Lodging	0.30	0.10
Insurance	2.60	0.80
<u>Misc.Exp</u>		
a. Legal & Professional Charges/Fees	13.18	2.11
b. Equity Share Expenses	0.75	0.77
c. Packing / Loading & Unloading	0.25	0.01
d. Security Expenses	3.24	2.63
e. General & Other Expenses:	1.52	1.05
<u>Power & Fuel</u>		
a. Car Running	1.49	1.63
b. H.V. Running & Maintenance	17.19	14.82
c. Electricity & Fuel	0.81	0.92
<u>Rates & Taxes, excluding taxes on income</u>		
a. Service Tax	4.60	3.64
b. ROC	0.09	0.08
c. Any other Govt. Taxes	2.81	0.90
Rent	2.08	2.53
Repairs to building	0.98	0.88
Repairs to machinery	1.91	1.42
Sales Promotion including publicity	5.52	0.20
Telephone	0.94	0.82
Travelling Expenses	3.98	3.01
Total	83.69	53.94



Notes forming part of the financial statements

Note	Particulars
20	Corporate information
	The company is engaged primarily in the business of Bottling, trading of LPG and Retailing of AutoLPG. It has its LPG Bottling plant at Durgapur and AutoLPG retailing station at Paschim Medinipur.
21	Significant accounting policies
	"The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Account
21.1	Basis of accounting and preparation of financial statements
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as a
21.2	Use of estimates
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income
21.3	Inventories
	Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sal
21.4	Cash and cash equivalents (for purposes of Cash Flow Statement)
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount
21.5	Cash flow statement
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cas
21.6	Depreciation and amortisation
	Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under: Leasehold land is yet to be amotised



Notes forming part of the financial statements

Note 21 Significant accounting policies (contd.)

Note	Particulars
21.7	Revenue recognition
	<p><u>Sale of goods</u> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales excludes excise duty, sales tax and value added tax.</p>
21.8	Other income
	Interest & Other income is accounted on accrual basis.
21.9	Tangible fixed assets
	Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intend
21.10	Employee benefits
	<p>Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and medical benefits.</p> <p><u>Defined contribution plans</u> The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund the company has made arrangement with Life Insurance Corporation of India.</p>
21.11	Borrowing costs
	Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over th
21.12	Segment reporting
	The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. Being Primarily the trading nature of business hence company don't prepare segment reporting
21.13	Leases
	Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight



Note 21 Significant accounting policies (contd.)

Note	Particulars
21.14	Earnings per share
	Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is same a
21.15	Taxes on income
	<p>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.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefi</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the ta</p>
21.16	Impairment of assets
	The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount
21.17	Provisions and contingencies
	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabil
21.18	Balances
	Balances of Sundry Debtors, Unsecured Loan & Advances and Sundry Creditors are subject to the confirmation and reconciliation.
21.19	Service tax input credit
	Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.
21.20	Other Notes
	<p>1. The Company did not employ any person during the year with a salary of Rs. 500000/- P.M. Or Rs 6000000/- P.A. and as such information required u/s 217 (2A) of the Companies Act, 1956 ready with Companies (Particular of the</p> <p>2. The deposit shown in the Balance Sheet is the trade deposit which will not attract the provisions of Section 58A of the Companies Act,1956</p>



Notes forming part of the financial statements

Note 22 Additional information to the financial statements

Note	Particulars	As at 31/03/2013 Rs. In lacs	As at 31/03/2012 Rs. In lacs
22.1	Contingent liabilities		
	(a) Bank Guarantee issued and effective	400.25	400.25
22.2	Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	There has been no dues to Micro and Small Enterprises which have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
22.3	Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges		
	The company has no Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties.		

Note 23 Disclosures under Accounting Standards

Note	Particulars			
23.1	Related party transactions			
	Description of relationship	Name	Details of transaction	Amount-Rs in lacs
	Managing Director	Mr. S.K.Bhansali	Remuneration	12.60 (P.Y.- 11.76)
	Note: Related parties have been identified by the Management.			
23.2	Earnings per share		For the year ended 31/03/2013	For the year ended 31/03/2012
	Profit for the year (after tax)		Rs. 21,798,000	Rs. 14,743,000
	Weighted average number of equity shares		9,105,650	8,569,800
	Face value per share		Rs.10	Rs.10
	Basic/Diluted Earnings per share		2.39	1.72
23.3	Deferred Tax Asset		Amount in Rs.	Amount in Rs.
	Opening Balance		2,791,321	3,158,322
	Terminating during the year		(23,000)	366,724
	Net deferred tax asset		2,814,321	2,791,598
	The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the customer orders received by the Company.			

Note 24 Previous year's figures

Note	Particulars
24	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date Chartered Accountants (Registration No. 314062E)	<u>Eastern Gases Ltd.</u>	
Parimal Sarkar Partner Membership No. : 051550 Place : Kolkata Date : 31st May, 2013	S.K.Bhansali Director	S.Baid Director



Eastern Gases Limited

Regd. Office : 43, Palace Court, 1, Kyd Street, Kolkata – 700016

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

Folio No. /DP ID No.*..... &

Client ID No.*..... No. of Share(s) held.....

Full name and address of the Shareholder (in block capitals)

I/We hereby record my/our presence at the **18th ANNUAL GENERAL MEETING** of the Company held on Friday, the 28th day of September, 2013 at 11.00 am. at Smriti Charitable Medical Centre, 81, K.P.Roy Lane, Haltu, Kolkata – 700078.

.....
Signature of the Shareholder or proxy

*** Applicable for members holding shares in electronic form.**

Eastern Gases Limited

Regd. Office : 43, Palace Court, 1, Kyd Street, Kolkata – 700016

PROXY FORM

Folio No. /DP ID No.*..... &

Client ID No.*..... No. of Share(s) held.....

I / We of

.....

..... being a Member /Members of Eastern Gases Limited, hereby appoint

..... of or failing him of

..... or failing him of as

my/our Proxy to attend and vote for me / us and on my / our behalf at the **18th ANNUAL GENERAL MEETING** of the Company to be held on Friday the 28th September, 2013 at 11 a.m. and at any adjournment thereof.

Signed thisday of2013 Signature (s).....

Affix
revenue
Stamp

Note : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

* Applicable only in case of investors holding shares in Electronic Form.



If undelivered, please return to:
EASTERN GASES LIMITED
43 Palace Court
1 Kyd Street,
Kolkata- 700 016