

RAJASTHAN GASES LIMITED

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhancing the Stock Holders' Value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all Important Policy matters.

2. BOARD OF DIRECTORS

COMPOSITION

The company has a combination of executive and non-executive Directors. The company has a non-executive Chairman, one executive Director and one Independent Director.

None of the Directors on the Board is a Director on more than 15 Companies and is a member of more than 10 committees and Chairman of more than 5 committees (as per clause 49 of the listing agreement) across all the companies in which he is a Director. All of the Directors have made requisite disclosures regarding committee positions occupied by them in other companies. The company's Board at present has three Directors comprising of one Executive Director and two Non-Executive Directors.

The Board met six times on the following dates during the financial year 2009-2010. The maximum time gap between any two meetings was not more than 4 calendar month.

03/04/2009 08/05/2009 15/07/2009 29/09/2009 04/12/2009 29/03/2010

The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorships and committee positions held by them in other Public Limited Companies as on 31.03.2010 are given below :

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

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

Name of the Director	:	Manoj Danwar
Date of Birth	:	10/11/1972
Date of Appointment	:	10/04/1998
Expertise in Specific Functional Area	:	Finance, Marketing, Admin
Qualification	:	B.Com
Other Public Companies in which Directorship held	:	Nil
Other Public Companies in which membership of committees of Directors held	:	Nil

3. AUDIT COMMITTEE

An Audit Committee of the Company in terms of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 and as per requirement of clause 49 of the Listing Agreement, was duly constituted and comprises of three Directors viz. Shri Manoj Danwar, Shri Sanjay Kumar Danwar and Shri Baboo Lal Swarnkar who is the chairman of the Committee. The terms of reference of the Audit Committee are contained in Section 292A of the Companies Act, 1956 and also as contained in the Corporate Governance Clause of the listing Agreement.

The Audit Committee met on the following dates during the financial Year 2009-2010:

30/04/2009	15/07/2009	31/07/2009	30/10/2009	29/01/2010	31/03/2010
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ATTENDANCE OF THE AUDIT COMMITTEE MEETING:

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

Necessary quorum was present at the meeting. Representative of Statutory Auditors were invited to the Meeting, as and when required.

4. SHARE HOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has an independent Shareholders' Grievance Committee to look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet etc., besides complaints from SEBI, Stock Exchange etc.

The committee comprises of:

Mr. Manoj Danwar	Chairman	Executive Director
Mr. Sanjay Kumar Danwar	Member	Non Executive Director

Mr. Manoj Danwar acts as the compliance officer.

The committee met six times on the following dates during the financial year 2009-2010:

29/05/2009	12/06/2009	28/08/2009	15/09/2009	20/12/09	19/02/2010
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The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. The number of complaints received was very few and the same were dealt with suitably.

5. REMUNERATION COMMITTEE

Up to financial year 2000-2001, the Company paid remuneration to its Whole Time Director by way of Salary, but since last Seven years no remuneration was paid to Mr. Manoj Danwar, due to insufficiency of profit. Thus the Company has not constituted such Remuneration Committee as no remuneration was paid to any of the Directors during the financial year 2009-10.

6. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings are as under:

Year	Day, Date & Time	Location	Whether any Special Resolution Passed
2006-2007	Saturday, 29 th September, 2007 11:30 A.M	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No
2007-2008	Monday, 29 th September, 2008 11:30 A.M.	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No
2008-2009	Tuesday, 29 th September, 2009 11:30 A.M.	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 004.	No

No resolution was passed by Postal Ballot during the financial year 2009-10.

7. DISCLOSURES

RELATED PARTY TRANSACTION

Related party transactions are defined as transactions of the Company of a material nature with its Promoters, Directors or the Management, their subsidiary

or relatives, etc. that many have potential conflict with the interest of the Company at large.

Among the related party transactions are, contracts or arrangement made by the Company from time to time with the Companies in which Directors are interested. All those contracts or arrangements are entered in Register of Contracts under section 301 of the Companies Act, 1956 and the Register is placed before every Board Meeting.

All transaction covered under the Related Party Transactions are regularly ratified and/or approved by the Board.

There has been no transaction of the Company with its promoters, their subsidiary or the management that may have potential conflict with the interest of the Company at large.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authorities related to the conduct of the business of the Company.

8. MEANS OF COMMUNICATION

The quarterly results are published in the leading English daily Newspaper and Hindi Newspaper.

Management discussions and analysis form part of the Annual report.

9. GENERAL SHAREHOLDER INFORMATION

Compliance Officer	Mr. Manoj Danwar AC-174, Salt Lake City, Kolkata – 700 064.
Annual General Meeting	Seventeenth
Date and Time	29 th September, 2010, Wednesday, at 11.30 A.M.
Venue	HE-1, Ashirwad Complex, Transport Nagar, Jaipur – 302 001.
Financial Calendar	April – March
Date of Book Closure	21 st September, 2010 to 29 th September, 2010 (both days incl.)
Listing of Stock Exchanges	3. The Stock Exchange, Mumbai. 4. The Calcutta Stock Exchange Association Ltd., Kolkata 5. The Jaipur Stock Exchange, Jaipur. 6. The Magadh Stock Exchange, 7. The Gauhati Stock Exchange, Gauhati.

The Trading in the Company's equity shares is compulsorily in dematerialized form. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with the NSDL and CDSL. Thus, the investors can exercise dematerialization and transfer action through a

recognized Depository Participant (DP) who is connected to NSDL or CDSL. The ISIN no. of the Company's Equity Shares is INE184D01018.

SHARES REGISTRAR AND TRANSFER AGENT

MAHESHWARI DATAMATICS (P) LTD.

6, Mangoe Lane, Kolkata - 700 001.

Telephone No. : (033) 2243-5029/5809

Fax No. : (033) 2248-4787

Website : N.A.

Email : mdpl@cal.vsnl.net.in

Business Hours : 10:30 AM to 3:00 PM (Monday - Friday)

10:30 AM to 12:30 PM (Saturday)

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2010.

Category	No. of Shareholder	Percentage	No. of Shares	Percentage
1) 1 to 500	6301	92.7846	845234	15.7288
2) 501 to 1000	205	3.0187	173500	3.2286
3) 1001 to 2000	102	1.5020	156297	2.9085
4) 2001 to 3000	55	0.8099	138300	2.5736
5) 3001 to 4000	16	0.2356	60100	1.1184
6) 4001 to 5000	29	0.4270	137900	2.5662
7) 5001 to 10000	27	0.3976	212670	3.9575
8) 10001 to above	56	0.8246	3649799	67.9184
Total	6791	100.0000	5373800	100.0000

CATEGORY OF SHAREHOLDERS AS ON 31.03.2010.

Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S	1655399	30.805
B. INSTITUTIONAL INVESTORS (FIIs/NRIs/OCBs)	397600	7.3989
C. INDIAN FINANCIAL INSTITUTIONS/BANKS/ MUTUAL FUNDS	--	--
D. PRIVATE BODIES CORPORATE	970070	18.0518
E. INDIVIDUALS	2350331	43.7368
F. TRUSTS	400	.0075
Grand Total	5373800	100.0000

10. CODE OF CONDUCT

All the members of the Board and senior management personnel have affirmed compliance with the Company's Code of Conduct.

BY ORDER OF THE BOARD
For RAJASTHAN GASES LIMITED

Place : JAIPUR
DATED : 03/09/2010

Sd/
(BABOOLAL SWARNKAR)
Chairman

Auditors' Certificate on Corporate Governance

To the Members of Rajasthan Gases Limited,

We have examined the compliance of conditions of Corporate Governance by Rajasthan Gases Limited ('the Company'), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

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

Place : JAIPUR
Dated : 03/09/2010

Sd/
(RAKESH JHALANI)
Partner