



**THE SOUTHERN GAS LTD.**

Since 1963

**57<sup>th</sup> Annual Report**  
**2020-2021**

## FROM THE DESK OF MANAGING DIRECTOR



Dear Shareholders,

It gives me great pleasure to present the fifty seventh (57<sup>th</sup>) Annual Report of the Company, together with the audited financial statements for the year ended 31<sup>st</sup> March 2021.

As we proceed ahead, magnitude of challenges are growing year on year, despite of that we have the confidence & satisfaction that we adapted quickly, plan appropriately and effectively to reap the best out of challenging environment.

The challenging outbreak of the new coronavirus-COVID-19, pandemic has ravaged the economic foundation globally and is focusing on an unprecedented social, economic and business response. It has fundamentally changed the way we live, work, and has made 'Work from Home', 'Social Distancing', and 'Higher Technology Adoption' as the 'new norms'.

Your company's performance during the year ended 31<sup>st</sup> March 2021 has seen significant increase during the Covid19 pandemic. The turnover for the year has increased marginally to Rs 30.95 crores compared to Rs 30.64 crores for the previous financial year ending 31<sup>st</sup> March 2020. However the comprehensive income for the year has registered a significant increase to Rs 185.78 lakhs, when compared to Rs 56.7 lakhs during the previous financial year ending 31<sup>st</sup> March 2020.

As the world deals with the spiralling effects of the pandemic, at The Southern Gas, we quickly took decisive action to respond to the unfolding challenges, medical gases has gone up significantly and our plant were operated 24X7 at full Plant Capacity during the year.

The impact on the turnover and the profitability due to the ongoing Covid-19 pandemic reflect in the results for the financial year ending 31<sup>st</sup> March 2021, as we have been fully utilizing our plant capacities in supplying life saving high purity medical gases to hospitals and medical facilities handling the pandemic. However supply of industrial gases was affected significantly.

Rest assured that your company will remain in the forefront of the ongoing battle against Covid-19 virus by aiding and assisting our countrymen in our own way be keeping the supply line for life saving medical gases running at full capacity in these very difficult times.

My board of directors join me to express our sincere gratitude to all our stakeholders and customers for reposing their faith in our company. We also wish to thank all our employees for their loyalty, devotion and enthusiasm by leaving no stone unturned to enable your company to reach the glory it has currently reached.





With this brief note, I on behalf of the Board of Directors of The Southern Gas Limited, assure our shareholders that we shall strive to bring your Company to newer heights.

I wish all of you good health, stay safe.

**Gautam Vithaldas Pai Kakode**  
*Managing Director*

## CORPORATE INFORMATION

<b>Board of Directors</b>	: Mr. Gautam V. Pai Kakode - Managing Director Mrs. Yogita G. Pai Kakode - Non Executive Director Mr. M. S. Keny - Non Executive Director Mr. S. P. Patnekar - Independent Director Mr. Anbunathan Murugaian - Independent Director Mr. Purushottam S. Mantri - Independent Director
<b>Chief Financial Officer</b>	: Mr. Shashidhar Haridas (up to 31 <sup>st</sup> March, 2021)
<b>Chief Financial Officer</b>	: Mr. Srinivasan S. (w.e.f. 11 <sup>th</sup> June, 2021)
<b>Company Secretary</b>	: Mr. Hasmukh Prajapati
<b>Statutory Auditors</b>	: M/s Lorence & Shankar - Chartered Accountant Margao-Goa
<b>Secretarial Auditor</b>	: Mrs. Kritika Satardekar Practicing Company Secretary
<b>Bankers</b>	: Union Bank of India
<b>Registrar &amp; Share Transfer Agents</b>	: M/s. Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant oasis, makwana road, Marol, Andheri East, Mumbai - 400 059.  022 – 262638200/04  investor@bigshareonline.com  www.bigshareonline.com

 **The Southern Gas Limited**  
CIN : L24111GA1963PLC000562  
Meera Classic, Phase II, Gogol, Borda, Margao-Goa 403 602  
 www.southerngasindia.com  
 sglgoa@southerngasindia.com, secretarial@southerngasindia.com  
 0832 – 2724863

<b>Units</b>	: Bangalore (Karnataka) Mysore (Karnataka) Bhadravati (Karnataka) Calicut (Kerala) Harihar (Karnataka) Trivandrum (Kerala) Udyogamandal (Kerala) Hubli(Karnataka)
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## NOTICE

**NOTICE** is hereby given that the **Fifty Seven (57<sup>th</sup>)** Annual General Meeting of the Members of **THE SOUTHERN GAS LIMITED** will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Friday, 24<sup>th</sup> day of September, 2021 at 10.30 a.m. to transact the following business;

### ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of Rs.50/- per equity shares for the Financial Year ended March 31, 2021.
3. To appoint as a Director in place of **Mr. Motilal Sanvlo Keny** (DIN: 06813111), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board  
For The Southern Gas Limited

Dated: 11<sup>th</sup> June, 2021  
Place: Margao-Goa

Hasmukh Prajapati  
Company Secretary

### NOTES :

1. Pursuant to requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to corporate governance and the applicable Secretarial Standards, the information required to be provided in case of appointment/ re-appointment of Director, is set out at the **Annexure A** to this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM) ("AGM or "e-AGM", without the physical presence of the members of the Company at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue of the AGM shall be the registered office of the Company. The Company has engaged the services of M/s Bigshare Services Private Limited, Registrar & Transfer Agent of the Company (RTA) as the Authorised Agency for conducting the e-AGM and CDSL providing e-voting facility for casting the votes by the members using an electronic voting system.
3. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. A copy of the Annual Report containing Audited Financial Statements for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors' thereon are enclosed.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.southerngasindia.com](http://www.southerngasindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

12. The Institutional/ Corporate members intending to attend the e-AGM through authorised representatives are requested to send to Bigshare/ Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorising their representative to attend the e-AGM through VC/ OAVM and vote on their behalf by an email through its registered email address to [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy to [secretarial@southerngasindia.com](mailto:secretarial@southerngasindia.com) at least 7 days prior to the e-agm.
13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
14. In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by clicking at <https://bigshareonline.com/InvestorRegistration.aspx> or by writing to the RTA with details of folio number and self-attested copy of PAN card at Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 or by sending email to [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
15. Members may also note that Notice convening the 57<sup>th</sup> AGM and Annual Report for FY 2020- 21 will also available on the Company website [www.southerngasindia.com](http://www.southerngasindia.com) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 18<sup>th</sup> September, 2021 to Friday, 24<sup>th</sup> September, 2021 (both days inclusive) for the purpose of payment of dividend. A final dividend of 50/- per share of Rs.100/- each has been recommended by the Board of Directors for the financial year ended March 31, 2021 and subject to the approval of Shareholders at the ensuing AGM. The final dividend proposed shall be paid within 30 days from the date of declaration.
16. The dividend after deduction of tax at source, if declared at the AGM, would be paid/ dispatched to those persons or their mandates:
- whose names appear as beneficial owners as at the end of the business hours on Friday, 17<sup>th</sup> September, 2021 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic mode; and
  - whose names appear as members in the Register of Members of the Company/ RTA after giving effect to valid share transmission/transposition in physical form lodged with the Company on or before Friday, 17<sup>th</sup> September, 2021.
17. The Securities and Exchange Board of India (“SEBI”) has made it mandatory for all companies to use the bank account details of investors furnished by the Depositories/available with the RTA for payment of dividend through National Electronic Clearing Services (“NECS”) to the investors, wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from members holding shares in electronic mode for deletion/ change in such bank account details. Further, instruction if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participant about such change, with complete details of bank account. In case the shares are held in physical form, please send NECS form available on our website [www.southerngasindia.com](http://www.southerngasindia.com) so as to reach on or before the date of Book Closure fixed for payment of dividend to Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 Phone: 0 2 2 – 6 2 6 3 8 2 0 0 E m a i l : [investor@bigshareonline.com](mailto:investor@bigshareonline.com) dividend warrants/ demand drafts will be dispatched to the registered address of the shareholders, who have not updated their bank account details, after normalization of the postal service.
18. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (“TDS”) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (“the IT Act”). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the Bigshare Services Private Limited email address at [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
- Due dates of transferring unclaimed and/ or unpaid dividend declared by the Company for the financial year ended March 31, 2014 and thereafter to Investor Education and Protection Fund Authority (IEPF):

Financial Year Ended	Type of Dividend	Date of declaration of Dividend	Due date for Transfer of Unpaid Dividend
March 31, 2014	FINAL	September 25, 2014	October 31, 2021
March 31, 2015	FINAL	September 22, 2015	October 30, 2022
March 31, 2016	FINAL	September 25, 2016	October 28, 2023
March 31, 2017	FINAL	September 26, 2017	November 1, 2024
March 31, 2018	FINAL	September 26, 2018	November 5, 2025
March 31, 2019	FINAL	September 26, 2019	November 5, 2026
March 31, 2020	FINAL	September 25, 2020	October 31, 2027

- Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim well in advance of the above due dates. Members are requested to check the details of unclaimed dividend amount, if any, on the Company's website [www.southerngasindia.com](http://www.southerngasindia.com) under Investor Information.

- (c) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012-13, from time to time, to the IEPF established by the Central Government.
20. Pursuant to IEPF Rules, the Company has, during the financial year 2020-21, transferred to the IEPF Authority all dividend which had remained unpaid or unclaimed for 7 (seven) consecutive years or more on the due date of transfer. Details of shares transferred to the IEPF are available on the website of IEPF i.e. [www.iepf.gov.in](http://www.iepf.gov.in) as well as on the Company's website [www.southerngasindia.com](http://www.southerngasindia.com) under Investor Information Section.
21. Members may note that shares as well as unclaimed dividends transferred to IEPF can be claimed back. Concerned members/ investors are advised to visit the website of [www.iepf.gov.in](http://www.iepf.gov.in) or contact Bigshare Service Private Limited for lodging claim for refund of shares and/ or dividend from the IEPF.
22. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the Company/ RTA. This form is also available on the Company's website [www.southerngasindia.com](http://www.southerngasindia.com)
23. Member(s) of the Company who are holding shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such folio(s).
- SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
24. Please send all correspondence including requests for transfer/ transmission of shares, change of address & dividend etc. to Bigshare Services Private Limited, Unit: The Southern Gas Limited, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400 059 Phone: 022 – 62638200 Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
25. Members of the Company had approved the appointment of M/s. Lorence & Shankar, Chartered Accountants, as the Statutory Auditors at the 53<sup>rd</sup> AGM of the Company which is valid till 58<sup>th</sup> AGM of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
26. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be, immediately of:-
- (a) The change in the residential status on return to India for permanent settlement.
- (b) The particulars of the NRE Account with a bank in India, if not furnished earlier.
27. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
28. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
29. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. All other documents referred to in the Notice and Annual Report will also be available for electronic inspection without payment of any fee by the Members from the date of circulation of this notice up to the date of AGM i.e. September 24, 2021. Member seeking to inspect such documents can send an email to [sglgoa@southerngasindia.com](mailto:sglgoa@southerngasindia.com)

#### VOTING THROUGH ELECTRONIC MEANS :

- I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 57<sup>th</sup> AGM by electronic means and the business may be transacted through e-voting Services ("Remote e-Voting").
- II. The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.  
The process and manner for Remote e-Voting are as under :

#### INSTRUCTION FOR E-VOTING :

- (i) The voting period begins on Tuesday, 21<sup>st</sup> September, 2021 at 9.00 am and ends on Thursday, 23<sup>rd</sup> September, 2021 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 17<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) Click on "Shareholders" module.
- (iv) "Shareholders" module.

- (v) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on

- “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-

#### VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE :

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER :

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak

during the AGM but have queries may send their queries in advance 7days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER :**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [sglgoa@southernngasindia.com](mailto:sglgoa@southernngasindia.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 0 1 3 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

30. Mr. Shivram Bhat, Company Secretary in Practice (CP No. 7853) has been appointed as Scrutinizer to scrutinize the Remote e-Voting in a fair and transparent manner.
31. The Scrutinizer shall, after the conclusion of voting through Insta Poll at the AGM, unblock the votes cast through e-Voting and Insta Poll and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
32. The results declared along with the Scrutinizer's Report shall be placed on Company's website [www.southernngasindia.com](http://www.southernngasindia.com) and on the website of CDSL at <https://www.evotingindia.com> immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

**By Order of the Board  
For The Southern Gas Limited**

**Dated: 11<sup>th</sup> June, 2021  
Place: Margao-Goa**

**Hasmukh Prajapati  
Company Secretary**



**ANNEXURE A TO THE NOTICE**

INFORMATION PROVIDED PURSUANT TO REQUIREMENTS GIVEN UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON THE GENERAL MEETINGS IN RESPECT OF INDIVIDUALS PROPOSED TO BE APPOINTED/ RE-APPOINTED AS DIRECTOR(S)

<b>Name of Director</b>	<b>Mr. Motilal Sanvlo Keny</b>
<b>Director Identification Number</b>	06813111
<b>Date of Birth (Age)</b>	July 29, 1947
<b>Date of Appointment</b>	September 25, 2014
<b>Brief resume and expertise in Specific functional area</b>	<b>Mr. Motilal Sanvlo Keny</b> , he is retired judge of Bombay City Civil Court for the Period of 1993 – 2007 & retired Chief Information Commissioner under R.T.I of state of Goa for the Period of 2009-2012, he have expertise knowledge of Legal.
<b>Directorships held in other companies</b>	Bangalore Oxygen Company Private Limited Foods and Beverages (India) Private Limited Malabar Oxygen Company Private Limited
<b>Committee Memberships of other Companies</b>	Nil
<b>Number of shares held in the Company</b>	Nil
<b>Number of meetings of the Board held / attended during the year</b>	4/4 (Four)
<b>Relationship between directors inter-se and with key managerial personnel of the Company</b>	there is no inter-se relationship between Board Members
<b>Terms and conditions of appointment/ re-appointment</b>	Mr. Motilal has been appointed in terms of the provisions of Companies Act, 2013 and is responsible to undertake the roles and responsibilities prescribed under the provisions of the Companies Act, 2013 and other laws for the time being in force. In addition, he is also responsible to undertake the roles and responsibilities assigned by the Board from time to time. Details of remuneration and the details are provided in 57 <sup>th</sup> Annual Report 2020-21
<b>Details of remuneration and the remuneration last drawn, if any</b>	details are provided in 57 <sup>th</sup> Annual Report 2020-21

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty Seven (57<sup>th</sup>) Annual Report of the Company along with Company's standalone audited financial statements for the financial year ended on March 31, 2021.

### Financial Highlights

(Amount in Lakhs)

Particulars	FY 2020-21	FY 2019-20
<b>Income :</b>		
Revenue from Operation	3,095.19	3,024.81
Other Income	36.35	39.96
Expenses	2,892.92	2,973.25
<b>Profit Before Depreciation &amp; Tax</b>	<b>387.48</b>	<b>256.35</b>
Less; Depreciation	148.87	164.83
<b>Profit before Tax (PBT)</b>	<b>238.61</b>	<b>91.52</b>
Less; Provision for Taxation		
Current Tax	90.47	34.45
Deferred Tax	(44.58)	(10.55)
<b>Profit After Tax</b>	<b>192.71</b>	<b>67.62</b>
Other Comprehensive Income	(6.92)	(10.84)
<b>Net Profit</b>	<b>185.79</b>	<b>56.78</b>

### Financial Performance/ State of Company Affairs :-

- Total income of the Company for FY 2021 stood at **Rs. 3,131.53 Lakhs** (3,064.77 Lakhs in FY 2020)
- Profit from continuing operations before Interest, Depreciation, and Exceptional Items & Tax stood at Rs. 387.48 Lakhs.
- Profit from continuing operations before Tax (PBT) stood at Rs. 238.61 Lakhs and Profit from continuing operations After Tax (PAT) stood at Rs. 192.71 Lakhs. Net profit for the period FY 2021 stood at Rs. 185.79 Lakhs.

Your Company turnover **Rs. 3,095.19** Lakhs during the year under review as against 3,024.81 during the last financial year, hence aggregate turnover increased by 2.33% as compared to last year, however the aggregate net profit of the company increased by 227.21% as compared to last year.

### Dividend

Based on the Company's performance, your Directors are pleased to recommend, for approval of the members, a Dividend of Rs.50/- per Equity Share (50%) on the face value of Rs. 100/- each, aggregating Rs.11.25 Lakhs for the financial year ended March 31, 2021. The dividend payout is subject to the approval of members at the ensuing 57<sup>th</sup> Annual General Meeting.

### Transfer to General Reserve

During the year under review, Your Company has transferred of Rs. 20,00,000/- to the General Reserve Account.

### Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, **Mr. Motilal Sanvlo Keny** (DIN: 06813111), Director who retire by rotation at the

ensuing 57<sup>th</sup> Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Shashidhar Haridas resigned as a Chief Financial Officer (CFO) as on 31<sup>st</sup> March, 2021.

### Event occurred after financial year

The Company has appointed Mr. Srinivasan S as a Chief Financial Officer & Key Managerial Personnel of the Company, with effective from 11<sup>th</sup> June, 2021.

The brief resumes and other disclosures relating to the Directors who are proposed to be appointed/ re-appointed, as required to be disclosed pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard 2 are given in the **Annexure A** to the Notice of the 57<sup>th</sup> AGM.

Your Directors recommend the appointment/ re-appointment of the above Directors at the ensuing AGM.

The Company recognises and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

### Management Discussion & Analysis

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "SEBI Listing Regulations"), the Management Discussion and Analysis is set out in this Annual Report and provides a detailed analysis on the performance of individual businesses and their outlook.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 are provided as **Annexure – C** and forms an integral part of this Report.

### Corporate Governance

By virtue of Regulation 15(2) of the SEBI (LODR) Regulation, 2015, the provision of Corporate Governance are not applicable to the Company.

### Contracts and Arrangements with Related Parties

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended on 31.03.2021 were in the ordinary course of business and on basis of arms length pricing and do not attract the provisions of Section 188 of the Companies Act, 2013. Thus disclosure in form AOC 2 is not applicable.

All the Related Party Transactions are reviewed by the Audit Committee on quarterly basis and they have provided an omnibus approval for all Related Party Transactions which are within its purview.

The information on Related Party Transactions, forming part of this Report, is provided in Note 2.37 of Annual Financial Statement for the Financial Year ended on 31.03.2021.

## Auditors and Auditors' Report

### Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, the shareholders of the Company in the 53<sup>rd</sup> AGM held on September 26, 2017 had appointed M/s Lorence & Shankar, Chartered Accountants, Margao-Goa (Firm Registration No. 112761W) as Statutory Auditors of the Company for a period of 5 years i.e. up to the conclusion of 58<sup>th</sup> AGM to be held in the year 2022.

In accordance with the Companies (Amendment) Act, 2017 enforced on May 7, 2018 by MCA, the appointment of Statutory Auditors is not required to be ratified by members at every AGM.

The observations and comments given by M/s. Lorence & Shankar, Chartered Accountants, Statutory Auditors in their report read together with notes to Accounts for the year ended March 31, 2021 are self-explanatory and hence, do not call for any further comments under Section 134 of the Act.

The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Act.

### Secretarial Auditors

The Board of Directors of the Company had appointed Mrs. Kritika Satardekar, Practicing Company Secretary to conduct secretarial audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended March 31, 2021 is enclosed as **Annexure – E** and forms an integral part of this Report.

The observations and comments given by the Secretarial Auditors in their report are self-explanatory and hence, do not call for any further comments under Section 204(3) of the Act.

The Board has also re-appointed Mrs. Kritika Satardekar, Practicing Company Secretary to conduct secretarial audit of the Company for the financial year 2021-22.

### Risk Management

The Risk Management Committee of the Board has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

### Internal Financial Control and its Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and

completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has in place adequate internal financial controls for ensuring the orderly and efficient conduct of its business. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## Disclosures

### Meetings of the Board

Four (4) meetings of the Board of Directors were held during the year. For further details, please refer **Annexure – D** to this Report.

### Audit Committee

For constitution and other details of the Audit Committee, please refer **Annexure – D** to this Report. All the recommendations made by the Audit Committee were accepted by the Board.

### Extracts of Annual Return

In terms of provisions of Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in Form MGT-9 is enclosed as **Annexure – B** and forms an integral part of this Report. The Annual Return for Financial Year 2020-21 is also available on the Company's website at [www.southernngasindia.com](http://www.southernngasindia.com).

### Vigil Mechanism

The Company has adopted a Whistle Blower Policy establishing vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of effected Director(s) and Employee(s). In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### Registrar and Share Transfer Agent

The Share Transfer and related activities are being carried out by M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent from the following address:-

M/s Bigshare Services Private Limited  
Unit: The Southern Gas Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp.Vsant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai 400 059  
Phone No: 022-262638200, Fax: 022 -062638299  
Email: investor@bigshareonline.com

All correspondence may kindly be sent to the above address only.

### Particulars of Loans given, Investments made, Guarantees given and Securities provided

During the year under review, the company did not provide any loan, guarantees to body corporate, hence provision of under section 186 Companies Act, 2013 is not applicable to the Company.

### Public Deposits

During the year under review, The Company has not

accepted/ renewed any Public Deposit/Fixed Deposit during the financial year and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

### Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – F** and forms an integral part of this Report.

### Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years.

Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company was required to transfer the unclaimed and unpaid dividends and shares from time to time as per the requirements of the IEPF rules, details of which are provided on our website.

As on March 31, 2021, no unclaimed deposits are pending for transfer to Investor Education and Protection Fund, however the company under process of transfer of share to IEPF account which was due in last year but it was not finalized & identify shareholders name whose shares are to be transferred to IEPF Account so that the company did not transferred share in last year, it is expected to transfer the share up to October, 2021.

### Credit Rating

During the year under review, the Company did not avail any credit rating agency service; hence rating of the Company is not available for the financial year.

### Material Changes and Commitment affecting the financial position

During the year under review, there were no material changes affecting the financial position of the Company subsequent to the closure of the Fiscal 2021 till the date of this report.

### Prevention of Sexual Harassment

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to

maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors further state that during the year under review, there were no case/complaint register under pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Secretarial Standards

The Company is in compliance with all the applicable Secretarial Standards.

### Independent director's declaration :

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013, from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), in respect of their position as an "Independent Director" of The Southern Gas Limited.

### Independent Directors Meeting

During the year under review, an Independent Directors meeting was held on February 12, 2021 in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### Share Capital

The paid-up Equity Share Capital as at 31st March, 2021 stood at Rs 22,50,000/- the Company has not issued any further shares.

### Listing of Shares

Your Company's equity shares are listed on BSE limited.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and ability, hereby confirm that :

- (i) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements, and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company.
- (iv) and for preventing and detecting fraud and other irregularities;
- (v) the Directors have prepared the annual accounts for financial year ended March 31, 2021 on a 'going concern' basis;

- (vi) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vii) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review :

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. The Company does not have any Subsidiary / Associate / Joint Venture Company during the year under review.
5. The provision under section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility is not applicable to the Company.
6. Pursuant to Regulation 15(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, in respect of Corporate Governance Report is not applicable to the Company.
7. There is no change in nature of business during the year under review.

### Acknowledgement

Your Directors would like to express their sincere appreciation of the positive co-operation received from Central and State Government Authorities, Stock Exchanges, Financial Institutions and Banks and Stakeholders during the year.

The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers, employee unions and staff of the Company resulting in the successful performance of the Company during the year.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

**By Order of the Board  
For The Southern Gas Limited**

Dated: 11<sup>th</sup> June, 2021  
Place: Margao-Goa

**Gautam Pai Kakode  
Chairman & Managing Director**

**ANNEXURE B**  
**MGT-9 EXTRACT OF ANNUAL RETURN**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

As on Financial Year ended on 31.03.2021

**I. REGISTRATION & OTHER DETAILS**

1.	CIN	L24111GA1963PLC000562
2.	Registration Date	29-07-1963
3.	Name of the Company	The Southern Gas Limited
4.	Category/Sub-category of the Company	Public Company limited by Shares
5.	Address of the Registered Office & contact details	Meera Classic Phase II Gogol, Borda, Margao – Goa Tel: 0832 2724863 Email: sglgoa@southerngasindia.com Website: www.southerngasindia.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any :	Bigshare Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059. Phone No.: 022- 262638200 Fax No.: 022-262638299 Email: investor@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main Products /services	NIC Code of the Products / services	% to total turnover of the Company
1.	Oxygen	20111	67.28
2.	Nitrous Oxide	21009	14.80

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Share Held	Applicable Section
Not Applicable to the Company					

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise share Holding

Category of Shareholders	No of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2020 )				No of shares held at the end of the year (As on 31 <sup>st</sup> March, 2021 )				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual	11111	0	11111	49.38	11111	0	11111	49.38	Nil
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt(s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corporate	3300	400	3700	16.44	3700	0	3700	16.44	Nil
e) Banks/FI	0	0	0	0	0	0	0	0	Nil
f) Any other	0	0	0	0	0	0	0	0	Nil
<b>Subtotal (A) (1)</b>	<b>14411</b>	<b>400</b>	<b>14811</b>	<b>65.82</b>	<b>14811</b>	<b>0</b>	<b>14811</b>	<b>65.82</b>	<b>NIL</b>
<b>2) Foreign</b>	0	0	0	0	0	0	0	0	Nil
a) NRIs Individuals	0	0	0	0	0	0	0	0	Nil
b) Other Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corporate	0	0	0	0	0	0	0	0	Nil
d) Banks/FI	0	0	0	0	0	0	0	0	Nil
e) Any other	0	0	0	0	0	0	0	0	Nil
<b>Subtotal (A) (2)</b>	0	0	0	0	0	0	0	0	Nil
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>11411</b>	<b>400</b>	<b>14811</b>	<b>65.82</b>	<b>14811</b>	<b>0</b>	<b>14811</b>	<b>65.82</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	Nil
b) Banks / FI	535	0	535	2.37	535	0	535	2.37	Nil
c) Central Govt.	0	0	0	0	0	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
f) Insurance Companies	2600	0	2600	11.56	2600	0	2600	11.56	Nil
g) FIs	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
Others (specify)	0	0	0	0	0	0	0	0	Nil
<b>Sub-total (B) (1)</b>	<b>3135</b>	<b>0</b>	<b>3135</b>	<b>13.93</b>	<b>3135</b>	<b>0</b>	<b>3135</b>	<b>13.93</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp</b>									
i) Indian	0	210	210	0.93	210	0	210	0.93	Nil
ii) Overseas	0	0	0	0	0	0	0	0	Nil
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs2 lakh.	1110	3137	4247	18.88	1110	3137	4247	18.88	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	Nil
<b>c) Others (specify)</b>									
i. Clearing Members	0	0	0	0	0	0	0	0	Nil
ii. Foreign Nationals	0	0	0	0	0	0	0	0	Nil
iii. Non Resident Indians (Repat.)	0	0	0	0	0	0	0	0	Nil
iv. Non Resident Indians (non Repat.)	0	0	0	0	0	0	0	0	Nil
v. Trusts	0	0	0	0	0	0	0	0	Nil
vi. IEPF Authority	97	0	97	0.43	97	0	97	0.43	Nil
<b>Sub-total (B) (2)</b>	<b>1207</b>	<b>3347</b>	<b>4554</b>	<b>20.26</b>	<b>1417</b>	<b>3137</b>	<b>4554</b>	<b>20.24</b>	<b>(0.02)</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>4342</b>	<b>3347</b>	<b>7689</b>	<b>34.17</b>	<b>4552</b>	<b>3137</b>	<b>7689</b>	<b>34.17</b>	<b>(0.02)</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>18753</b>	<b>3747</b>	<b>22,500</b>	<b>100%</b>	<b>19363</b>	<b>3137</b>	<b>22,500</b>	<b>100%</b>	<b>Nil</b>

## ii. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	No of shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Yogita Gautam Pai Kakode	5556	24.69	0	5556	24.69	0	Nil
2	Gautam Pai Kakode	5555	24.69	0	5555	24.69	0	Nil
3	Foods & Beverages (India) Pvt. Ltd	3300	14.67	0	3300	14.67	0	Nil
4	Bangalore Oxygen Company Pvt. Ltd	400	1.77	0	400	1.77	0	Nil
	<b>Total</b>	<b>14811</b>	<b>65.82</b>	<b>0</b>	<b>14811</b>	<b>65.82</b>	<b>0</b>	<b>0.02</b>

## iii. Change in Promoters' Shareholding

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Yogita Gautam Pai Kakode				
	At the beginning of the year 01/04/2020	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2021	--	--	5556	24.69
2	Gautam Pai Kakode				
	At the beginning of the year 01/04/2020	5555	24.69	5555	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2021	--	--	5555	24.69
3	Foods & Beverages (India) Pvt. Ltd				
	At the beginning of the year 01/04/2020	3300	14.67	3300	14.67
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2021	--	--	3300	14.67
4	Bangalore Oxygen Company Pvt. Ltd				
	At the beginning of the year 01/04/2020	400	1.77	400	1.77
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2021	--	--	400	1.77

## iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total share of the Company	No of shares	% of total shares of the Company
1	Life Insurance Corp. of India				
	At the beginning of the year 01/04/2020	1500	6.67	1500	6.67
	Increase /Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2021	--	--	1500	6.67
2	Oriental Insurance Co. Ltd				
	At the beginning of the year 01/04/2020	1100	4.89	1100	4.89
	Increase/Decrease in shareholding	--	--	--	--
	At the end of the year 31/03/2021	--	--	1100	4.89
3	Canara Bank				
	At the beginning of the year 01/04/2020	535	2.38	535	2.38
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			535	2.38
7	Shri Suhas Narcinva Pai Angle				
	At the beginning of the year 01/04/2020	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			500	2.22



8	Shri Vilas Naracinva Pai Angle				
	At the beginning of the year 01/04/2020	500	2.22	500	2.22
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			500	2.22
6	Shri Bhagwant Krishna Naik				
	At the beginning of the year 01/04/2020	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			435	1.93
7	Shri Upendra Krishna Naik				
	At the beginning of the year 01/04/2020	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			435	1.93
8	Shri Keshav Krishna Naik				
	At the beginning of the year 01/04/2020	435	1.93	435	1.93
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			435	1.93
9	Piyush Varaiya				
	At the beginning of the year 01/04/2020	205	0.91	205	0.91
	Increase /Decrease in shareholding				
	At the end of the year 31/03/2021			205	0.91
10	Smt. Janaki D. Khandke				
	At the beginning of the year 01/04/2020	75	0.33	75	0.33
	Increase /Decrease in shareholding	--	---	--	--
	At the end of the year 31/03/2021			75	0.33

#### v. Shareholding of Directors and Key Managerial Personnel\*

Sr. No	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Yogita Pai Kakode				
	At the beginning of the year 01/04/2020	5556	24.69	5556	24.69
	Date wise increase/decrease in shareholding during the year	--	--	--	--
	At the end of the year 31/03/2021	--	--	5556	24.69
2	Gautam Pai Kakode				
	At the beginning of the year 01/04/2020	5555	24.69	5555	24.69
	Date wise increase/decrease in shareholding during the year	---	--	--	--
	At the end of the year 31/03/2021	--	--	5555	24.69

\* Only the Directors and KMP who were/are holding shares in the Company are reflected in the above table.

#### vi. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25.41			25.41
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	25.41			25.41
Change in indebtedness during the financial year				
Addition				
Reduction	16.44			16.44
<b>Net Change</b>	16.44			16.44
Indebtedness at the end of the financial year				
i) Principal Amount	8.97			8.97
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	8.97			8.97

## vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Director and/or Manager

(Amount in Rupees)

Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
	Gautam V. Pai Kakode Managing Director		
Gross Salary			
Salary as per provisions contained in section 17(1) of the Incometax Act, 1961	60,00,000.00		60,00,000.00
Value of perquisites u/s 17(2) of the Income -tax Act, 1961	Nil		Nil
Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil		Nil
Stock Option	Nil		Nil
Sweat Equity	Nil		Nil
Commission -as % of profit -others, specify	Nil		Nil
Others, please specify Contribution to Provident Fund	21,60000		21,60000
<b>Total (A)</b>	<b>60,21,60000</b>		<b>60,21,60000</b>

## B. Remuneration to other Directors:-

(Amount in Rupees)

Particulars of Remuneration	Name of Directors			Total Amount
	Sripad P. Patnekar	Anbunathan Murugaian	Purushottam M antri	
Independent Directors				Total Amount
Seating Fee for attending Board /committee meetings	12,000.00	6,000.00	12,000.00	30,000.00
Commission	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil
<b>Total (1)</b>				
Other Non-Executive Directors	Yogita G. Pai Kakode	Motilal S. Keny		
Seating Fee for attending Board /committee Meetings	12,000.00	12,000.00		24,000.00
Commission				
Others, please specify				
<b>Total (2)</b>	12,000.00	12,000.00		24,000.00
<b>Total (B)=(1+2)</b>	<b>24,000.00</b>	<b>24,000.00</b>	<b>12,000.00</b>	<b>54,000.00</b>

## C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

(Amount in Rupees)

Particulars of Remuneration	Key Managerial Personnel			Total
	Shashidhar Haridas CFO (up to 31.03.2021)	Hasmukh Prajapati Company Secretary (w.e.f 01.07.2020)		
Gross Salary	7,34,788.00	3,13,698.00		10,48,486.00
(a) Salary as per provisions contained in section 17 (1)of the Income Tax act,1961				
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil		Nil
(c) Profits in lieu of salary u/s 17 (3) of the Income Tax act, 1961	Nil	Nil		Nil
Stock option	Nil	Nil		Nil
Sweat Equity	Nil	Nil		Nil
Commission	Nil	Nil		Nil
-as % of profit	Nil	Nil		Nil
-others, specify	Nil	Nil		Nil
Others, please specify Employer's Contribution to Provident Fund Other Benefits	21,600.00	16,200.00		37,800.00
<b>Total</b>	<b>7,56,388.00</b>	<b>3,29,898.00</b>		<b>10,86,286.00</b>

## viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ Compounding of offences	Authority (RD/NCLT/ COURT)	Appeal made If any (give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Place: Margao-Goa  
Date: June 11, 2021Gautam V Pai Kakode  
Chairman & Managing Director  
DIN: 02395512

**ANNEXURE - C TO THE DIRECTORS' REPORT**

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 134 (3) (m) of the Companies Act, 2013 r/w Companies (Accounts) Rules, 2014 are as under :

<b>A</b>	<b>Conservation of Energy</b>	<b>Particulars</b>
	i) The steps taken or impact on conservation of energy	All the machinery is kept in good condition which helps to reduce the consumption of electrical load. Oil used is only for lubrication purpose.
	ii) The steps taken by the company for utilizing alternate sources of energy.	<p>Existing high electricity consuming Fluorescent and sodium lamps are replaced with LED bulbs and thus the consumption of electrical power for lighting has been drastically come down.</p> <p>The water coming out from the heat exchangers are cooled in the pond by sprinkling process and thus reduced the usage of cooling tower which is the energy consuming equipment. Rain water harvesting is implemented and there has been a significant improvement in water levels in the nearby well.</p> <p>In DA plant 5hp old beacon pump is replaced with 3hp pump, also the overhead tank water pump of 5hp beacon is replaced with 5hp V Guard pump, this inturn discharges more and utilises less time which leads to power saving. Efficient usages of equipments are also monitored for rated production for energy conservation.</p>
	iii) the capital investment on energy conservation equipments	Nil
<b>B</b>	<b>Technology Absorption</b>	
	(i) efforts made towards technology absorption	The Company always keeps itself updated with all latest technological innovations by way of constant communications and consultations. Efforts are being made to reduce cost and to improve performance.
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
	(l) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – (a) the details of technology imported (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Nil
	(iv) The expenditure incurred on Research and Development.	Nil
<b>C</b>	<b>Foreign Exchange Earnings and Outgo:</b>	
		<p>The total foreign exchange outgo during the year 2020-21 was equivalent to Rs. 31,29,086.00</p> <p>Foreign Exchange earned during the year 2020-21 was equivalent to Rs. Nil</p>

## ANNEXURE D TO THE DIRECTOR REPORT

### Board of Directors

The composition of the Board of Directors is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “the Listing Regulations”), as amended from time to time.

As on March 31, 2021, the Board comprises of Six Directors. The names and categories of Directors, the number of Directorship and Committee position(s) held by them in the companies, meetings attended by them and other relevant particulars are given below.

Name and Category	Designation	Director ship in other listed entity & Category	Relationship with each other	No. of Board Meetings held / attended during the financial year	Whether attended the last AGM	No. of director ships in Public Companies	No. of Committee Memberships / (Chairmanships) in Public Companies (^)	
							Chairman	Member
Mr. Gautam V. Paikakode Executive Director	Managing Director	N	Husband of Mrs. Yogita	4/4	Y	1	1	3
Mrs. Yogita g. Paikakode Non-Executive & Promoter Group	Director	N	Wife of Mr. Gautam	4/4	Y	1	N	N
Mr. M. S. Keny Non-Executive	Director	N	N.A	4/4	Y	1	N	3
Mr. S. P. Patnekar Non-Executive & Independent	Independent Director	N	N.A	4/4	Y	1	3	3
Mr. Anbunathan Murugaian Non-Executive & Independent	Independent Director	N	N.A	2/4	N	1	N	3
Mr. Purushottam S. Mantri Non-Executive & Independent	Independent Director	N	N.A	4/4	Y	1	N	3

Y=Yes

N=No

N= None

N.A= not related to any other director of the Company

A brief resume of the directors being appointed / re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board is **Annexure A** to the Notice.

The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulation 2015.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (LODR) Regulation 2015, across all the Companies in which he / she is a Director.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (“the Act”). The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) & 25(8) of the Listing Regulations read with Section 149(6) of the Act.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

### Board Meetings

During the financial year ended on March 31, 2021 the Board of Directors met Four (4) times on the following dates: June 26, 2020, August 7, 2020, November 13, 2020 and February 12, 2021.

The gap between any two Board Meetings did not exceed 120 days.

All the recommendation of committee(s) of the Board were accepted by the Board.

## Board Procedures

The Board Meetings are governed by structured Agenda. The Agenda along with detailed background notes are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with Chairman. The information as specified in Part A of Schedule II of LODR is regularly made available to the Board.

## Code of Conduct

The Board of Directors has laid down Code of Conduct for Business and Ethical (the Code) for all the Board Members and senior managers of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc.

All the Board Members and senior management personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director and CFO is attached and forms part of the Annual Report of the Company.

## Audit Committee Constitution

As on March 31, 2021 the Audit Committee comprises of the following Non-Executive Directors & Executive Director :

1. Mr. S. P. Patnekar : Non-Executive & Independent Director (Chairman)
2. Mr. Anbunathan Murugaian : Non-Executive & Independent
3. Mr. Purushottam S. Mantri : Non-Executive & Independent
4. Mr. M. S. Keny : Non-Executive & Director
5. Mr. Gautam V. Pai Kakode : Executive & Managing Director

### Terms of Reference

The Charter of the Committee is as prescribed under Section 177 of the Act read with the Listing Regulations:

### Role of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - ✓ Matters to be included in the Directors' Responsibility Statement for the inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - ✓ Changes, if any, in accounting policies and practices and reasons for the same.
  - ✓ Major accounting entries involving estimates based on the exercise of judgment by management.

- ✓ Significant adjustments made in the financial statements arising out of audit findings.
  - ✓ Compliance with listing and other legal requirements relating to financial statements.
  - ✓ Disclosure of Related Party Transactions.
  - ✓ Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
  8. Approval to or any subsequent modification of transactions of the Company with related parties.
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. 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.
  14. Discussion with internal auditors of any significant findings and follow up there on.
  15. 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 to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. Looking, into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  18. Review of the functioning of the Whistle Blower mechanism / Vigil Mechanism.
  19. Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## The audit committee shall mandatorily review the following information

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters/letters of internal control weaknesses, if any, issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations :
  - ✓ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - ✓ annual statement of funds utilized for purposes other than those stated in the offer document / prospectus/notice in terms of Regulation 32(7).

## Powers of the Audit Committee

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## Meetings & Attendance

During the financial year 2020-2021, 4 (Four) Audit Committee meetings were held on June 26, 2020, August 7, 2020, November 13, 2020 and February 12, 2021. The details of Members' attendance at the meetings of Audit Committee are as under :

Name of Member	No. of Meetings	
	Held	Attended
Mr. S. P. Patnekar	4	4
Mr. Anbunathan Murugaian	4	2
Mr. Purushottam S. Mantri	4	4
Mr. M. S. Keny	4	4
Mr. Gautam V. Pai Kakode	4	4

The gap between any two Audit Committee meetings did not exceed 120 days.

## Nomination and Remuneration Committee Constitution

As on March 31, 2021 the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Mr. S. P. Patnekar : Non-Executive & Independent Director (Chairman)
2. Mr. Anbunathan Murugaian : Non-Executive & Independent
3. Mr. Purushottam S. Mantri : Non-Executive & Independent
4. Mr. M. S. Keny : Non-Executive & Director

## Terms of Reference

The Charter of the Committee is as prescribed under Section 178 of the Act read with the Listing Regulations viz. :

## Role of the Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee has been constituted to recommend/review remuneration of the directors, key managerial personal and other employees, based on their performance and defined assessment criteria.

## Meetings & Attendance

During the financial year 2020-2021, 2 (Two) Nomination & Remuneration Committee meetings were held on June 26, 2020, February 12, 2021. The details of Members' attendance at the meetings of Audit Committee are as under :

Name of Member	No. of Meetings	
	Held	Attended
Mr. S. P. Patnekar	2	2
Mr. Anbunathan Murugaian	2	1
Mr. Purushottam S. Mantri	2	2
Mr. M. S. Keny	2	2

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

## Details of Remuneration of Directors

The Company has not paid any remuneration to any of its Non-Executive Directors, except Sitting Fees for attending meetings of the Board and all its Committees for which Rs.3,000/- per meeting was paid for Board.

The aggregate amount of sitting fees paid during the financial year 2020-2021 was Rs. 54,000/- (excluding

applicable taxes). The director wise payment of sitting fee is provided in Form MGT-9 attached as **Annexure – B** to the Directors' Report.

The aggregate amount of remuneration paid to the Managing Director during the financial year 2020-2021 was Rs. 60,21,600/- (excluding applicable taxes) breakup details of payment of remuneration provided in Form MGT-9 attached as **Annexure – B** to the Directors' Report.

No stock options were issued to the Directors during the period under report.

## Stakeholders' Relationship Committee Constitution

As on March 31, 2021 the Stakeholders' Relationship Committee comprises of the following Non-Executive Directors :

1. Mr. S. P. Patnekar : Non-Executive & Independent Director (Chairman)
2. Mr. Anbunathan Murugaian : Non-Executive & Independent
3. Mr. M. S. Keny : Non-Executive & Director

## Terms of Reference

The role of the committee shall inter-alia include the following :

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

## Meetings & Attendance

During the financial year 2020-2021, 4 (Four) Stakeholders' Relationship Committee meetings were held on June 26, 2020, August 7, 2020, November 13, 2020 and February 12, 2021. The details of Members' attendance at the meetings of Audit Committee are as under :

Name of Member	No. of Meetings	
	Held	Attended
Mr. S. P. Patnekar	4	4
Mr. Anbunathan Murugaian	4	2
Mr. M. S. Keny	4	4

## Separate Independent Directors' Meeting Constitution

As on March 31, 2021 the Separate Independent Directors' Committee comprises of the following Non-Executive Directors :

1. Mr. S. P. Patnekar : Independent Director
2. Mr. Anbunathan Murugaian : Independent Director
3. Mr. Purushottam S. Mantri : Independent Director

## Terms of Reference

Criteria for Performance Evaluation of the Board of Directors of the Company and Performance Evaluation by the Independent Directors

Criteria for Performance Evaluation of the Non-Independent Directors of the Company and Performance Evaluation by the Independent Directors.

Criteria for Performance Evaluation of the Independent Directors of the Company and Performance Evaluation by the Board of Directors.

## Meetings & Attendance

During the Financial year ended on 31.03.2021, one Separate Meeting of Independent Directors' was held on February 12, 2021. The meeting inter alia discussed :

Name of Member	No. of Meetings	
	Held	Attended
Mr. S. P. Patnekar	1	1
Mr. Anbunathan Murugaian	1	1
Mr. Purushottam S. Mantri	1	1

For The Southern Gas Limited

Dated: 11<sup>th</sup> June, 2021  
Place: Margao-Goa

Gautam Pai Kakode  
Chairman & Managing Director  
DIN : 02395512



## Annexure E

**Form no. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED**  
**31<sup>st</sup> MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014]

To,  
 The Members,  
 The Southern Gas Limited,  
 Meera Classic, Phase II,  
 Gogol, Borda,  
 Salcete, Margao  
 South Goa

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Southern Gas Limited (herein after called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 ( hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (*provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India

- (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the audit period**);
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the audit period**);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**).
- vi. The following laws and Regulations applicable specifically to the Company (as per there presentation made by the company) viz.,
  - (i) Water (Prevention and Control of Pollution) Act, 1974; and Rules made thereunder
  - (ii) Air (Prevention and Control of Pollution) Act, 1981; and Rules made thereunder
  - (iii) The Goa, Daman and Diu Shops and establishments Act, 1973 & The Goa Daman and Diu Shops and Establishments Rules, 1975.
  - (iv) The Legal Metrology Act, 2009 and the Rules made there under
  - (v) Drugs and Cosmetics Act, 1940 and the Rules made there under
  - (vi) The Explosives Act, 1884 and the Rules made there under
  - (vii) Gas Cylinders Rules, 2016
  - (viii) The Petroleum Act, 1934 and the Rules made there under

**I have also examined compliance with the applicable clauses of the following :**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) entered into by the Company with Stock Exchange.

During the period under review the Company generally has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, transfer of unclaimed shares to the Investor Education and Protection Fund (IEPF) authority as required under section 124(6) of the Companies Act, 2013 read with applicable Rules made thereunder, the reconciliation unpaid dividend vis a vis individual shareholder was not available for review and therefore not in a position to comment on the compliance status of the said provisions.

**I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except as mentioned above.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and/or recorded as part of the minutes during the audit period.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

*Kritika Satardekar*  
Practicing Company Secretaries  
ACS No.25448 & CP No: 13645  
UDIN: A025448C000446715

Date: June 11, 2021  
Place: Mapusa, Goa

**ANNEXURE 'A'**

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: June 11, 2021  
Place: Mapusa, Goa

*Kritika Satardekar*  
Practicing Company Secretaries  
ACS No.25448 & CP No: 13645

**ANNEXURE – F TO THE DIRECTORS' REPORT****(A) Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

(Amount in Rs.)

Sr. No.	Name of Director / KMP and Designation	Designation	Remuneration paid in FY 2020-21	% increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Gautam V. Pai Kakode	Managing Director	60,21,600	Nil	Nil
2.	Mrs. Yogita G. Pai Kakode*	Non-Executive Director	12,000*	Nil	Nil
3.	Mr. M. S. Keny*	Non-Executive Director	12,000*	Nil	Nil
4.	Mr. S. P. Patnekar*	Independent Director	12,000*	Nil	Nil
5.	Mr. Anbunathan Murugaian	Independent Director	6,000*	Nil	Nil
6.	Mr. Purushottam Mantri	Independent Director	12,000*	Nil	Nil
7.	Mr. Shashidhar Haridas#	CFO	7,56,388	Nil	N.A.
8.	Hasmukh Prajapati#	Company Secretary	3,29,898	Nil	N.A..

\* Paid sitting fees for attending Board Meetings.

# Hasmukh Prajapati has appointed w.e.f. 1<sup>st</sup> July, 2021# Shashidhar Haridas has resigned on dated 31<sup>st</sup> March, 2021

- i) The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2020-21 was 59.83%
- ii) There were 117 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021.
- iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 1.30% whereas the increase in the managerial remuneration for the same financial year was 1.30%.
- iv) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**(B) Particulars of Employees pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2021.**

1. Statement showing Top Ten employees of the Company in terms of Remuneration drawn :

Sr. No.	Name of the Employee	Designation
1	#Mr. Srinivasan S.	General Manager - Finance & CFO
2	Sadananda Pai. H	General Manager - Operations
3	James Balu	Senior Manager - HR & Admin
4	# Shashidhar Haridas	CFO
5	Vinodkumar C.	Manager – Accounts and Admin

6	Satheesh Prabhu	Plant Engineer
7	Rejeesh P. P.	Manager – Sales & Marketing
8	Geeta Prabhudesai	Manager - Account
9	Kedar Kunde	Manager - Marketing & Admin
10	Vimlesh kamat	Manager - IT

#Mr. Shashidhar Haridas has resigned on dated 31<sup>st</sup> March, 2021

#Mr. Srinivasan has appointed as CFO w.e.f 11<sup>th</sup> June, 2021

2. During the year under review, there were no employees who were in receipt of remuneration which in aggregate was not less than Rs 12,00,000/- per annum.
3. Similarly, there were no persons employed for the part of the year who were in receipt of remuneration which in aggregate was not less than Rs 8,50,000/- per month.
4. During the year under review, there were no employees if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For and on behalf of the Board of Directors

Place: Margao-Goa  
Date: June 11, 2021

Gautam V Pai Kakode  
Chairman & Managing Director  
DIN: 02395512

## Management Discussion Analysis Report

World

World Economic Outlook Update, July 2021: Fault Lines Widen in the Global Recovery

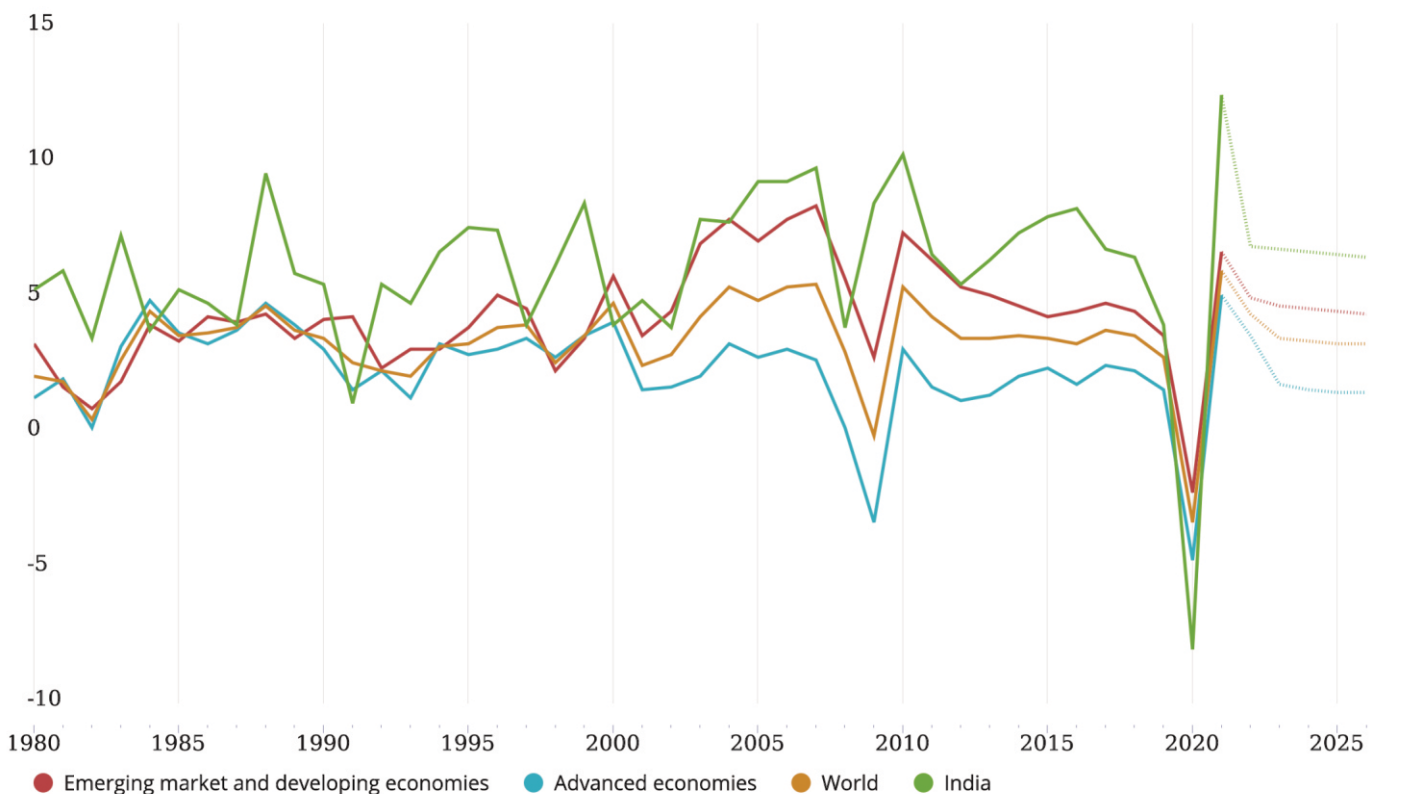
July 27, 2021

Description: The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

## Chart

IMF DataMapper

Real GDP growth (Annual percent change)



©IMF, 2021, Source: World Economic Outlook (April 2021)

[https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/IND?year=2021](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/IND?year=2021)  
India

**This forecast for 2021-22 is lower than the 12.5% growth in GDP that IMF had projected in April before the second wave took a grip.**

The International Monetary Fund (IMF) on Tuesday cut its economic growth forecast for India to 9.5% for the fiscal year to March 31, 2022 as the onset of a severe second COVID-19 wave cut into recovery momentum. This forecast for 2021-22 is lower than the 12.5% growth in GDP that IMF had projected in April before the second wave took a grip.

For 2022-23, IMF expects economic growth of 8.5%, larger than [the 6.9% it had projected in April](#).

"Growth prospects in India have been downgraded following the severe second COVID wave during March-May and expected slow recovery in confidence from that setback," IMF said in its latest World Economic Outlook (WEO).

India's economy is gradually recovering from a deep contraction in the fiscal year ended March 31, 2021 (7.3%) and a subsequent severe second wave of COVID-19.

IMF joins a host of global and domestic agencies which have cut India's growth estimates for the current fiscal. Last month, S&P Global Ratings projected a 9.5 % GDP growth in the current fiscal and 7.8 % in 2022-23.

While World Bank sees GDP growth at 8.3 % from April 2021 to March 2022, the Asian Development Bank (ADB) last

week downgraded India's economic growth forecast to 10 % from 11 % estimated in April.

## Industry Structure and Developments

Medical Oxygen Cylinder Market is expected to rise at annual rate 6.76% in the forecast period of 2021 to 2028 due to the increase in the awareness amongst the people and patients regarding the benefits associated with the usage of medical oxygen cylinder.

On the other hand, technical precautions such as usage of cylinder at a particular distance from a combustible element are expected to obstruct the market growth in the above mentioned forecast period. Higher costs of oxygen cylinder are projected to challenge the medical oxygen cylinder market.

## Medical Oxygen Cylinder Market Scenario

According to Data Bridge Market Research the markets for medical oxygen cylinder is accelerating because of the oxygen cylinders do not require batteries. Additionally, oxygen which is provided in the purest form to the medical devices and the formation of the cylinders positively affects the medical oxygen cylinder market.

Furthermore, increase in the breathing problems due to diseases and awareness of the population for personal healthcare extends profitable opportunities to the market players.

Now the question is which are the other regions that medical oxygen cylinder market targeting? Data Bridge Market Research has estimated a large growth in North America due to the increase in graph of COVID-19 cases and shift of population with breathing issues is the key factor for the growth of medical oxygen cylinder market in this region. Asia-Pacific is expected to witness significant growth during the forecast period of 2021-2028 because of the increasing in the cases of chronic and infectious diseases among a larger population.

<https://www.databridgemarketresearch.com/speak-to-analyst/?dbmr=global-medical-oxygen-cylinder-market>

## Medical Oxygen Cylinder Market Scope

Medical oxygen cylinder market is segmented on the basis of countries into U.S., Canada and Mexico in North America, Germany, France, U.K., Netherlands, Switzerland, Belgium, Russia, Italy, Spain, Turkey, Rest of Europe in Europe, China, Japan, India, South Korea, Singapore, Malaysia, Australia, Thailand, Indonesia, Philippines, Rest of Asia-Pacific (APAC) in the Asia-Pacific (APAC), Saudi Arabia, U.A.E, South Africa, Egypt, Israel, Rest of Middle East and Africa (MEA) as a part of Middle East and Africa (MEA), Brazil, Argentina and Rest of South America as part of South America.

- All country based analysis of medical oxygen cylinder market is further analyzed based on maximum granularity into further segmentation. On the basis of product, the medical oxygen cylinder market is segmented into portable oxygen concentrator & cylinders, stationary oxygen concentrator & cylinders and oxygen concentrator & cylinders. On the basis of technology, the medical oxygen cylinder market is segmented into continuous flow and pulse flow. On the basis of end user, the medical oxygen cylinder market is segmented into home care and non-homecare. On the basis of size, the medical oxygen cylinder market is segmented into 10L, 40L, 50L and 100L. On the basis cylinder type, the medical oxygen cylinder market is segmented into fixed and portable. On the basis of application, the medical oxygen cylinder market is segmented into emergency room, operating room, respiratory department and household.

- Medical oxygen cylinder alludes to the tempered steel compartments that are broadly utilized for keeping oxygen at high pressing factor. These chambers are for the most part utilized for the analytic purposes. They have oxygen at high pressing factor or fluid structure.

## Opportunities and Threats

During the year under review our Company has been successful in bidding contracts, which added major quantities to our business. We believe that application of industrial and other gases will grow in all areas of manufacturing industry

However, hyper competition amongst small manufacturers, entry of MNCs and over capacity remains a concern. Owing to increasing demand and rising competition, an increasing number of industrial gases companies in India are investing heavily on capacity additions at existing as well as new end user facilities.

## Segment-wise or product-wise performance

The Company operates in only one segment i.e. manufacturing of gas. The products include Oxygen used in medical and industrial applications, Argon, Hydrogen, Nitrogen, etc. The performance of the company in the segment is satisfactory.

## Outlook

In recent years, technological innovations in the usage of various industrial gases have bolstered the growth of the market.

Apart from this, the leading companies are investing in research and development activities (R&D) to develop new and improved methods to produce and distribute industrial gases across the globe.

Also, effort to meet the expectation in terms of quality and price would govern the sustainability of growth over the years.

**Risks and Concerns**

Continuous competition and reduction in prices in the market by the MNCs in order to grab the business remains the major concern for our company.

So also the inherent risks in the industry continue to be cylinders' transportation and safety, thereby adding to cost. Main input being electricity, the quality and cost of power is major concern.

**Internal Control Systems and their Adequacy**

The Company has an adequate system of internal control procedure as commensurate with the size and nature of business, which ensures that all assets are safeguarded and protected against loss and all transactions are recorded and reported correctly. The internal control system of the Company is monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board for reference.

**Discussion on financial performance with respect to operational performance.****Operational Performance Highlights:**

	Rs. in Lakhs	
<b>Particulars</b>	<b>F.Y. 2020 - 21</b>	<b>F.Y. 2019 - 20</b>
Revenue from Operations	3095.18	3024.81
<b>Expenses:</b>	1189.32	1158.18
Cost of material consumed		
<b>Gross Profit</b>	1905.86	1866.63
<b>Gross Profit(%)</b>	61.57%	61.71%

\*the above **Operational Performance Highlights** should be read in conjunction with the Financial Statements, the schedules and notes thereto.

The revenue from operations during the year under review has increased by 2.33 % mainly on account of sales. However, despite of marginal increased in turnover, gross profit percentage has marginal fall down due to increase in cost of material consumed.

**Material developments in Human Resources / Industrial Relations front, including number of people employed**

Industrial relations across the company's plants were cordial during the year under review. The Company employed 07 employees during the year.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include raw material availability and its prices, cyclical, demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

**For and on behalf of the Board of Directors**

Place: Margao-Goa  
Date: 11<sup>th</sup> June, 2021

**Gautam V Pai Kakode**  
Managing Director  
DIN: 02395512

**Motilal S Keny**  
Director  
DIN: 06813111

## INDEPENDENT AUDITORS' REPORT

To,  
The Members  
The Southern Gas Limited  
Margao, Goa

### Opinion

We have audited the standalone financial statements of **The Southern Gas Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our Audit
<p><b>Revenue Recognition</b></p> <p>The Company's revenue is mainly derived from the sale of liquid gases stored in Cylinders, Cylinder Maintenance, and a minor amount from Penalty for delayed return of cylinders. The Company recognizes revenue upon full execution of the terms of sale, which normally coincides with delivery. The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold, and time frame for return of cylinders. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures including :</p> <ul style="list-style-type: none"> <li>● Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>● Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>● Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>● Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</li> <li>● Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

### Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report, Business Responsibility Report, Corporate Governance and shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does

not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.



## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also : Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement & the Statement of changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" to this report
  - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has pending litigations which are disclosed in the Contingent Liabilities in Note No. 2.33 to the accounts. The impact of the same has been disclosed.
    - (ii) The Company does not have long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - (iii) There has been no delay in transferring amounts,

which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For Lorence & Shankar  
Chartered Accountants  
Firm Reg.No No: 112761W**

Place: Margao-Goa  
Date: 11<sup>th</sup> June, 2021

Lorence J Malekar  
Partner,  
M.No. 024751  
UDIN NO : 21024751AAAACQ3550

**ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, fixed assets have been physically verified by the management at reasonable intervals, except for gas cylinders with customers. No material discrepancies were noticed on such verification.
- (c) Title deeds of immoveable properties are held in the name of the Company.
- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable, and as informed to us no material discrepancies were noticed.
- (iii) The Company has not granted any unsecured loan to a company covered in the Register maintained under Section 189 of the Companies Act, 2013, which is outstanding at the year end, hence the sub clauses are inapplicable.
- (iv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any transaction which is covered under the provisions of Section 185 and 186 of the Act, with respect to the loans, investments and security made.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, this clause is inapplicable to the company.
- (vi) The company is not covered under Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Central sales-tax, service tax, value added tax, Goods and Sales Tax, Excise Duty and other material statutory dues with the appropriate authorities, though there have been delays in few cases.
- (b) As explained to us, no undisputed amounts payable thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and as per verification of records of the company, all disputed amounts of taxes which have been deposited with the authorities as at 31.03.2021.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company has not borrowed any amount from Government or Debenture holders.
- (ix) The Company has not raised money by way of public issue/ follow-on offer (including debt instruments), nor through term loans. Hence this clause is inapplicable to the company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our Audit.
- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, this clause is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, etc, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is inapplicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Lorence & Shankar  
Chartered Accountants  
Firm Reg.No No: 112761W**

Place: Margao-Goa  
Date: 11<sup>th</sup> June, 2021

Lorence J Malekar  
Partner,  
M.No. 024751

**THE SOUTHERN GAS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2021**

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
Non-current assets			
(a) Property, plant and equipment	2.01	903,02,158	1081,65,996
(b) Capital work-in-progress	2.01	97,15,577	7,98,246
(c) Other Intangible Assets	2.01	4,36,306	5,41,851
(d) Financial assets			
(i) Non - Current Investments	2.02	20,000	10,000
(ii) Loans & Advances	2.03	141,52,682	120,41,789
(iii) Others	2.04	157,69,675	22,46,690
(e) Other non- current assets	2.05	7,24,492	9,40,351
Total non-current assets (A)		1311,20,890	1247,44,922
Current Assets			
(a) Inventories	2.06	90,86,150	107,80,422
(b) Financial assets			
(i) Trade Receivables	2.07	467,83,334	500,65,420
(ii) Cash and cash equivalents	2.08	331,40,709	142,22,234
(iii) Bank Balances other than (ii) above	2.09	443,43,128	414,97,062
(iv) Other Current financial assets	2.10	73,526	3,89,828
(d) Current tax assets	2.11	2,27,000	24,05,959
(e) Other current assets	2.12	12,80,439	35,23,158
Total current assets (B)		1349,34,286	1228,84,082
Total Assets (A+B)		2660,55,176	2476,29,004
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share Capital	2.13	22,50,000	22,50,000
(b) Other Equity	2.14	1748,01,944	1571,23,044
Total Equity (A)		1770,51,944	1593,73,044
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	2.15	-	8,97,466
(b) Long Term Provisions	2.16	72,44,396	64,98,980
(c) Deferred tax liability (net)	2.17	41,36,400	85,94,000
Total non current liabilities (B)		113,80,796	159,90,446
Current Liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	2.18	-	1,880
(ii) Trade payables	2.19		
- Total outstanding dues of Micro & Small Enterprises		-	-
- Total outstanding dues of Others		131,36,087	132,26,032
(iii) Other Current financial liabilities	2.20	548,27,583	517,18,581
(b) Other current liabilities	2.21	67,54,955	69,58,799
(c) Short Term Provisions	2.22	29,03,811	3,60,222
Total current liabilities (C)		776,22,436	722,65,514
Total equity and Liabilities (A + B + C)		2660,55,176	2476,29,004

Significant Accounting Policies &amp; Notes on accounts

1 &amp; 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s Lorence &amp; Shankar

Chartered Accountants

FRN No. 112761W

Gautam V. Pai Kakode

Managing Director

DIN :02395512

M.S. Keny

Director

DIN :06813111

CA. Lorence J. Malekar

Partner

M. No. 024751

Place: Margao, Goa

Date: 11/06/2021

Hasmukh Prajapati

Company Secretary

M. No. 48018

Place: Margao, Goa

Date: 11/06/2021

**THE SOUTHERN GAS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2021**

(Amount in Rupees)

Particulars		Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	<b>INCOME</b>			
	Revenue from operations	2.23	3095,18,573	3024,80,720
II.	Other Income	2.24	36,34,567	39,96,043
III.	Total Income (I+II)		3131,53,139	3064,76,763
IV.	<b>EXPENSES</b>			
	a. Cost of materials consumed	2.25	872,06,074	947,75,287
	b. Purchase of traded goods	2.26	317,25,978	212,07,173
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	2.27	(48,636)	(1,63,935)
	d. Employee benefits expense	2.28	674,57,537	668,94,027
	e. Finance costs	2.29	2,01,320	5,87,235
	f. Depreciation and amortisation expenses	2.01	148,87,049	164,82,568
	g. Other expenses	2.30	878,62,881	975,42,771
	Total Expenses		2892,92,203	2973,25,124
V.	Profit before tax (III-IV)		238,60,937	91,51,639
VI.	Tax expense:			
	a. Income Tax - Current		85,30,215	34,75,000
	b. Income Tax - Previous Years		5,17,016	(29,752)
	c. Deferred tax		(44,57,600)	(10,55,400)
VII.	Profit for the period (V-VI)		192,71,306	67,61,791
VIII.	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement of the net defined benefit liability / Asset		(6,92,406)	(10,83,974)
	Total Other Comprehensive Income		(6,92,406)	(10,83,974)
	Total Comprehensive Income for the period		185,78,900	56,77,817
	Earnings per equity share:			
	Nominal value of share Rs. 100/- (Rs. 100/-)			
	Basic and Diluted	2.31	825.73	252.35

1 &amp; 2

Significant Accounting Policies &amp; Notes on accounts

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s Lorence & Shankar  
Chartered Accountants  
FRN No. 112761W

Gautam V. Pai Kakode  
Managing Director  
DIN :02395512

M.S. Keny  
Director  
DIN :06813111

CA. Lorence J. Malekar  
Partner  
M. No. 024751

Hasmukh Prajapati  
Company Secretary  
M. No. 48018

Place: Margao, Goa  
Date: 11/06/2021

Place: Margao, Goa  
Date: 11/06/2021

**THE SOUTHERN GAS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31st, 2021**

(Amount in Rupees)

A) EQUITY SHARE CAPITAL		
Equity Shares of Rs. 100 each issued, subscribed and fully paid up	Numbers	Rupees
As at April 1st, 2020	22,500	22,50,000
Changes in Equity Share Capital during the year	-	-
As at March 31st, 2021	22,500	22,50,000

## B) OTHER EQUITY

For the year ended March 31, 2021

Particulars	RESERVES & SURPLUS		Other Comprehensive Income (OCI)	Total
	General Reserve	Retained Earnings		
As at April 1, 2020	340,72,589	1230,50,455	-	1571,23,043
Profit/ (Loss) for the year	-	192,71,306	-	192,71,306
Other Comprehensive Income/ (Loss)	-	-	(6,92,406)	(6,92,406)
Transfer of Gains/ (losses) from OCI to Retained Earnings	-	(6,92,406)	6,92,406	-
Total Comprehensive Income/ (Loss)	-	1416,29,355	-	1757,01,943
Transfer from Retained Earnings	20,00,000	(20,00,000)	-	-
Dividend Paid	-	(9,00,000)	-	(9,00,000)
As at March 31, 2021	360,72,589	1396,29,355	-	1757,01,944
	-	(9,00,000)	-	(9,00,000)
As at March 31, 2021	360,72,589	1387,29,355	-	1748,01,944

For the year ended March 31, 2020

Particulars	RESERVES & SURPLUS		Other Comprehensive Income (OCI)	Total
	General Reserve	Retained Earnings		
As at April 1, 2019	320,72,589	1204,57,636	-	1525,30,225
Profit/ (Loss) for the year	-	67,61,791	-	67,61,791
Other Comprehensive Income/ (Loss)	-	-	(10,83,974)	(10,83,974)
Transfer of Gains/ (losses) from OCI to Retained Earnings	-	(10,83,974)	10,83,974	-
Total Comprehensive Income/ (Loss)	-	1261,35,453	-	1582,08,042
Transfer from Retained Earnings	20,00,000	(20,00,000)	-	-
Dividend Paid	-	(9,00,000)	-	(9,00,000)
Dividend Distribution Tax	-	(1,84,998)	-	(1,84,998)
As at March 31, 2020	340,72,589	1241,35,453	-	1582,08,042
	-	(9,00,000)	-	(9,00,000)
	-	(1,84,998)	-	(1,84,998)
As at March 31, 2020	340,72,589	1230,50,455	-	1571,23,044

As per our report of even date attached

For M/s Lorence & Shankar  
Chartered Accountants  
FRN No. 112761W

For and on behalf of the Board of Directors

Gautam V. Pai Kakode  
Managing Director  
DIN :02395512

M.S. Keny  
Director  
DIN :06813111

CA. Lorence J. Malekar  
Partner  
M. No. 024751

Hasmukh Prajapati  
Company Secretary  
M. No. 48018

Place: Margao, Goa  
Date: 11/06/2021

Place: Margao, Goa  
Date: 11/06/2021

**THE SOUTHERN GAS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021**

(Amount in Rupees)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. Cash Flows from Operating Activities</b>		
Total Comprehensive Income before tax	231,68,531	80,67,665
Adjustments for:		
- Depreciation	148,87,049	164,82,568
- Interest Income	(35,23,905)	(30,92,663)
- Interest expense	2,01,320	5,87,235
- Provision for Doubtful Debts/ (W/back)	24,02,610	4,20,907
- Bad debts written off	1,59,329	5,25,236
- Profit/ (Loss) on Sale or write off of fixed assets	2,09,551	(8,44,307)
Sub total	143,35,952	140,78,975
Operating Profit before Working Capital Changes	375,04,483	221,46,640
Adjustments for working capital changes:		
(Increase)/ Decrease in Trade Receivables	7,20,148	(16,99,521)
(Increase)/ Decrease in Inventories	16,94,271	(27,64,629)
(Increase)/ Decrease in Loans and Advances (Non-Current)	(21,10,893)	(67,914)
(Increase)/ Decrease in Other Current Financial Assets	3,16,302	(1,23,004)
(Increase)/ Decrease in Current Tax Assets	21,78,959	(7,65,199)
(Increase)/ Decrease in Other Current Assets	22,42,719	(17,16,209)
(Increase)/ Decrease in Other Non Current Assets	2,15,859	(3,25,147)
Increase/ (Decrease) in Trade Payables	(89,944)	25,91,861
Increase/ (Decrease) in Short-Term Provisions	25,43,589	(1,62,706)
Increase/ (Decrease) in Long-Term Provisions	7,45,416	13,25,867
Increase/ (Decrease) in Other current Liabilities	(2,03,844)	(9,74,216)
Increase/ (Decrease) in Other Current Financial Liabilities	31,09,002	11,46,808
	113,61,582	(35,34,010)
Cash generated from Operations	488,66,065	186,12,630
Direct taxes	(90,47,231)	(34,45,248)
Cash flow before extraordinary Items	398,18,834	151,67,382
Extraordinary items	-	-
Net Cash from/(used) in Operating Activities	398,18,834	151,67,382
<b>B. Cash Flows from Investing Activities</b>		
Purchase of PPE / CWIP	(144,76,547)	(58,38,144)
Sale of PPE / CWIP	84,31,999	9,01,692
(Increase)/ Decrease in Other Non Current Financial Assets	(135,22,984)	195,29,214
(Increase)/ Decrease in Other Bank Balances	(28,46,066)	(295,67,066)
Interest Received	35,23,905	30,92,663
Purchase of National Savings Certificate	(10,000)	-
Net Cash from/(used) in Investing Activities	(188,99,693)	(118,81,641)

**THE SOUTHERN GAS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021**

(Amount in Rupees)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>C Cash Flows from Financing Activities</b>		
Proceeds/(Repayment) of Long Term Borrowings	(8,97,466)	(39,39,570)
Proceeds/(Repayment) of Short Term Borrowings	(1,880)	(12,86,416)
Interest paid	(2,01,320)	(5,87,235)
Dividends and Corporate Dividend Tax paid	(9,00,000)	(10,84,998)
<b>Net Cash from/(used) in Financing Activities</b>	<b>(20,00,666)</b>	<b>(68,98,219)</b>
<b>Summary</b>		
Net Cash from/(used) Operating Activities	398,18,834	151,67,382
Net Cash from/(used) in Investing Activities	(188,99,693)	(118,81,641)
Net Cash from/(used) in Financing Activities	(20,00,666)	(68,98,219)
<b>Net Increase (Decrease) in Cash Equivalents</b>	<b>189,18,475</b>	<b>(36,12,479)</b>
Cash and Cash Equivalents at beginning of the year	142,22,234	178,34,713
Cash and Cash Equivalents at the end of the year	331,40,709	142,22,234
	189,18,475	(36,12,479)

Note: The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows" prescribed under Section 133 of the Companies Act, 2013.

Significant Accounting Policies & Notes on accounts 1&2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s Lorence & Shankar  
Chartered Accountants  
FRN No. 112761W

Gautam V. Pai Kakode  
Managing Director  
DIN :02395512

M.S. Keny  
Director  
DIN :06813111

CA. Lorence J. Malekar  
Partner  
M. No. 024751

Hasmukh Prajapati  
Company Secretary  
M. No. 48018

Place: Margao, Goa  
Date: 11/06/2021

Place: Margao, Goa  
Date: 11/06/2021



## THE SOUTHERN GAS LIMITED

## 1. Significant accounting policies forming part of financials

Corporate Information

The Southern Gas Ltd is a company registered under Companies Act, 1956. The shares of the company are listed with Bombay Stock Exchange (BSE). The Company is in the business of production and supply of Medical Oxygen, Industrial Oxygen, Argon, Hydrogen, Nitrogen etc.

## i) Basis of Accounting &amp; Statement of Compliance

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The provisions of the Companies Act, 2013, to the extent notified, and guidelines issued by the Securities and Exchange Board of India (SEBI) are complied with. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where specifically mentioned / disclosed to the contrary. Previous year figures have been restated wherever necessary to conform with current year figures.

## ii) Use of Estimates

The preparation and presentation of the financial statements is in conformity with Indian Accounting Standards, which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual amounts could differ from these estimates and such differences are recognised in the period in which the amounts are ascertained. If material, their effects are disclosed in the notes to the financial statements.

## iii) Revenue Recognition

Revenue is recognised as per Ind AS - 115 "Revenue from Contracts with Customers". Revenue represents the transaction price to which the Company is entitled excluding discounts, incentives and Goods and Services Tax (GST). Triggers for revenue recognition are as below:

- |  |   |  |
|--|---|--|
| a) Sale of goods                             | : | Revenue is recognised as per Ind AS - 115 "Revenue from Contracts with Customers" - Income is considered to accrue upon full execution of the terms of sale, which normally coincides with delivery. |
| b) Interest/ Claims                          | : | Income is recognised on accrual basis wherever realisable is not in doubt.   |
| c) Cylinder handling and maintenance charges | : | Income is recognised on accrual basis except when there are significant uncertainties.   |
| d) Penalty for delayed return of cylinders   | : | Income is considered to accrue on time basis in accordance with the terms of sale.   |

## iv) Property, Plant &amp; Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation, impairment in value if any. Cost includes purchase price (inclusive of import duties and non-refundable purchase taxes), other costs directly attributable for bringing the assets to the location and condition necessarily for it to be capable of operating in the manner intended by management.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets and/or by valuation by experts. When parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components).

## v) Capital Work-in-progress:

All capital expenditure excluding advances paid for the construction of fixed assets are shown as capital work-in-progress until completion of the project or until the asset is ready to be put to use. These costs are capitalised to the relevant items of the fixed assets on completion or putting to use.

## THE SOUTHERN GAS LIMITED

## 1. Significant accounting policies forming part of financials

## vi) Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date for indicators of impairment based on internal/external factors. An asset is identified as impaired when the carrying value of the asset exceeds its recoverable value and based on such assessment, impairment loss is recognized and charged to profit and loss statement in the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed in the year in which there has been change in the estimate of recoverable amount.

## vii) Depreciation/ Amortization

Depreciation / Amortization on Property, Plant & Equipment is provided on straight-line method based on the useful lives as specified in the Schedule II of the Companies Act, 2013 except for cylinders for which useful life has been adopted on the basis of technical evaluation by an external valuers and review by management at the year end.

The Management estimates useful lives of the cylinders as seven years based on the internal assessment and independent technical evaluation carried out by an agency. Hence the useful lives of this asset is different from the useful lives as prescribed under Schedule-II of the Companies Act,2013.

Lease premium paid in respect of leasehold land is amortized over the period of the lease

## viii) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

## ix) Foreign Currency Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

## x) Inventories

Inventories are valued at lower of cost or net realizable value on first in first out basis. For this purpose cost of bought out inventories comprises of the purchase cost of the items net of applicable taxes/ duty credits and the cost of bringing such items in the factory. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is their current replacement value.

## xi) Investments

Long term investments are valued at cost. In case of long-term investments, provision/write down is made for permanent diminution in value. Current investments are valued at lower of cost or fair value.

## xii) Employee Benefits :

## a) Short Term Employee Benefits

The amounts paid/ payable within twelve months of rendering services, comprising largely of salaries and wages, short term compensated absences and annual bonus is valued on an undiscounted basis and recognised in the period in which the employee renders related service.

## b) Defined Contribution Plans

The Company has defined contribution plan for employees comprising of Provident Fund and Employee State Insurance. The contributions paid/ payable to these plans during the year are charged to profit and loss statement at actual cost to the company. The Company has no other obligation in this regard.

## c) Defined Benefit Plans

## Gratuity:

Payment of Gratuity to employees is covered by the Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the company make contributions under the said scheme. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to income statement.

## THE SOUTHERN GAS LIMITED

## 1. Significant accounting policies forming part of financials

## d) Long term Employee benefits

## Compensated Absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to income statement.

## e) Termination Benefits:

Termination benefits are recognised in the profit and loss statement for the period in which the same are accrued.

## xiii) Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## xiv) Earnings per share

Basic & Diluted Earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders (after deducting attributable taxes and preference dividend, if any) of the company by weighted average number of equity shares outstanding at the end of financial year.

## xv) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has present obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the management estimates.

Contingent liabilities are disclosed when the company has a possible obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognised nor disclosed in the accounts.

## xvi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

## xvii) Segmental Reporting

The Company is engaged in the business of manufacturing and trading of gases in the domestic market only and hence has only a single reportable segment, in terms of Ind AS - 108.

## xviii) Leases

IND AS - 116 "Leases" was notified effective 01.04.2019. The Company's leases are "short-term" in nature as contemplated by the Accounting Standard and hence payments are recognised on a straight line basis. Leasehold Land of the Company has already been capitalised upon payment, no recurring amounts are due. Hence Adoption of the said standard has no impact on the financials of the Company.

THE SOUTHERN GAS LIMITED  
Notes forming part of Financials

2.01 Property, Plant & Equipment, Capital Work in Progress & Other Intangible Assets

Description	(Amount In Rupees)										
	Freehold Land and Improvements	Leasehold Lands	Buildings	Plant & Machinery (Including Cylinders)	Vacuum Insulated Transport Tanker	Electrical Fittings	Furniture & Fittings	Motor Cars & Vehicles	Office Equipments	Customised Software & Website	Total
A) Tangible Assets (Property, Plant and Equipment)											
Cost											
As at 1st April, 2019	108,75,060	90,31,073	327,90,646	2766,70,850	153,59,656	16,34,375	88,23,304	315,02,019	94,76,458	-	3961,63,440
Additions (including transfers from C-W-I-P)	-	-	18,66,266	23,63,177	-	7,076	5,62,376	-	4,83,749	5,55,500	58,38,144
Deductions	-	-	-	4,79,497	-	-	-	4,90,347	-	-	9,69,844
As at 31st March, 2020	108,75,060	90,31,073	346,56,912	2785,54,530	153,59,656	16,41,451	93,85,680	310,11,672	99,60,206	5,55,500	4010,31,741
Additions (including transfers from C-W-I-P)	-	-	3,35,385	19,62,164	-	1,11,801	2,25,595	14,52,921	6,73,104	-	47,60,970
Deductions	-	78,36,170	-	4,55,915	-	-	-	-	-	-	82,92,085
As at 31st March, 2021	108,75,060	11,94,903	349,92,296	2800,60,780	153,59,656	17,53,252	96,11,275	324,64,593	106,33,311	5,55,500	3975,00,626
Depreciation											
As at 1st April, 2019	-	2,32,090	108,98,325	2222,60,528	104,03,050	14,32,504	56,16,752	179,21,214	79,89,322	-	2767,53,786
Charge for the year	-	14,396	9,80,623	106,71,601	3,35,069	69,016	9,69,223	26,43,164	7,85,826	13,649	164,82,568
Sales/Adj.	-	-	-	4,22,112	-	-	-	4,90,347	-	-	9,12,459
As at 31st March, 2020	-	2,46,487	118,78,948	2325,10,017	107,38,118	15,01,520	65,85,975	200,74,031	87,75,149	13,649	2923,23,894
Charge for the year	-	14,396	9,81,449	96,68,933	3,35,069	34,625	4,04,531	25,15,167	8,27,334	1,05,545	148,87,049
Sales/Adj.	-	-	-	4,48,781	-	-	-	-	-	-	4,48,781
As at 31st March, 2021	-	2,60,883	128,60,396	2417,30,169	110,73,187	15,36,144	69,90,506	225,89,198	96,02,483	1,19,194	3067,62,162
Net Block											
As at 31st March, 2021	108,75,060	9,34,020	221,31,900	383,30,610	42,86,469	2,17,108	26,20,769	98,75,395	10,30,828	4,36,306	907,38,464
As at 31st March, 2020	108,75,060	87,84,586	227,77,964	460,44,513	46,21,538	1,39,931	27,99,705	109,37,641	11,85,058	5,41,851	1087,07,846
B) Capital Work in Progress											
Cost as at 1st April, 2020											7,98,246
Additions											97,15,577
Deductions / Transfers											7,98,246
Cost as at 31st March, 2021											97,15,577

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

	<i>(Amount in Rupees)</i>	
	As at 31st March, 2021	As at 31st March, 2020
2.02 Financial Assets ( Non Current Investments)		
Non-Trade (Unquoted):-		
National Savings Certificate	20,000	10,000
	<u>20,000</u>	<u>10,000</u>
2.03 Financial Assets (Loans & Advances) (Unsecured, Considered Good)		
Security Deposits #	141,52,682	120,41,789
	<u>141,52,682</u>	<u>120,41,789</u>
2.03.1 # Includes Rs.39.47 Lakhs (PY Rs. 20 Lakhs) due from Directors & Entities in which Directors are interested.		
2.04 Financial Assets (Others) (Unsecured, Considered Good)		
Bank Deposits (having maturity more than 12 months) @	157,69,675	22,46,690
	<u>157,69,675</u>	<u>22,46,690</u>
2.04.1 @ - Includes Deposits of Rs. Nil (PY Rs. 114,00,000) against which working capital loan taken.		
2.05 Other Non Current Assets		
Prepaid expenses	7,24,492	9,40,351
	<u>7,24,492</u>	<u>9,40,351</u>
2.06 Inventories		
a) Raw materials	20,86,714	37,10,300
b) Finished/Purchased goods	20,95,492	20,46,856
c) Stores & Spares	47,60,811	48,92,993
d) Sundry Materials	1,43,133	1,30,272
	<u>90,86,150</u>	<u>107,80,422</u>
2.06.1 Method of valuation of inventories - Refer Note 1(x) in Significant Accounting policies		
2.07 Trade Receivables		
i) Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered Good	-	-
- Unsecured, Considered Doubtful	36,12,020	27,09,411
less: Provision for doubtful debts	<u>(36,12,020)</u>	<u>(27,09,411)</u>
	<u>-</u>	<u>-</u>
ii) Other Receivables		
- Unsecured, Considered Good	467,83,334	500,65,420
- Unsecured, Considered Doubtful	15,00,000	-
less: Provision for doubtful debts	<u>(15,00,000)</u>	<u>-</u>
	<u>467,83,334</u>	<u>500,65,420</u>
2.07.1 Trade Receivables are non interest bearing and are generally on terms of 0 - 30 days.		
2.08 Cash and Cash Equivalents		
i) Balances with Banks		
In Current Accounts *	330,34,241	141,84,336
In Deposit Accounts (having maturity of less than 3 months)	2,639	2,600
In Bank OD Account	8	-
ii) Cash On Hand	1,03,821	35,297
	<u>331,40,709</u>	<u>142,22,234</u>

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

	<i>(Amount in Rupees)</i>	
	As at 31st March, 2021	As at 31st March, 2020
2.09 Other Balances with Bank		
Balances with Bank		
(i) In Fixed Deposit Account (with maturity between 3 - 12 months) @	442,11,188	413,90,160
(ii) In Earmarked Unpaid Dividend A/c	1,31,940	1,06,902
	<u>443,43,128</u>	<u>414,97,062</u>
2.09.1 @ - Includes Deposits of Rs. 114,00,000 (PY Rs. Nil) against which working capital loan taken.		
2.10 Other Current Financial Assets		
Interest receivable	62,526	3,89,828
Rent receivable	11,000	-
	<u>73,526</u>	<u>3,89,828</u>
2.11 Current Tax Assets		
Advance Income Tax (Net of Provisions)	-	7,65,199
Income tax refund receivable	1,25,680	15,39,440
Income tax paid under appeal	1,01,320	1,01,320
	<u>2,27,000</u>	<u>24,05,959</u>
2.12 Other Current Assets		
Advances recoverable in cash or in kind or for value to be received	4,46,485	26,78,528
Prepaid Expenses	8,33,954	8,44,630
	<u>12,80,439</u>	<u>35,23,158</u>

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## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

(Amount in Rupees)

## 2.13 Share Capital

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised Capital:		
30,000 (PY: 30,000) Equity shares of Rs.100/- each	30,00,000	30,00,000
20,000 (PY: 20,000) Unclassified shares of Rs.100/- each	20,00,000	20,00,000
Total	50,00,000	50,00,000
Issued, Subscribed and fully paid:		
22,500 (PY: 22,500) Equity shares of Rs.100/- each	22,50,000	22,50,000

Reconciliation of shares at the beginning and at the end of the financial year:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,500	22,50,000	22,500	22,50,000
Issued during the year	-	-	-	-
At the end of the year	22,500	22,50,000	22,500	22,50,000
Change in the number of Equity Shares Outstanding	-	-	-	-

Particulars of Shareholders holding more than 5% in the Company:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	%	No. of shares	%	No. of shares
1 Smt.Yogita Gautam Pai Kakode	24.69%	5,556	24.69%	5,556
2 Shri Gautam Pai Kakode	24.69%	5,555	24.69%	5,555
3 Life Insurance Corpn. of India	6.67%	1,500	6.67%	1,500
4 M/s.Food & Beverages (India) Pvt.Ltd.	14.67%	3,300	14.67%	3,300

Terms/ Rights attached to Equity shares

- 2.13.1 The Company has only one class of shares referred to as equity shares with a face value of Rs. 100/- each. Each holder of equity share is entitled to one vote per share
- 2.13.2 The dividend proposed/ declared by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.
- 2.13.3 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 liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.13.4 During any of the last five years ending 31 Mar 2021-
- No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash
  - No bonus shares were allotted.
  - No shares were bought back.

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

	(Amount in Rupees)	
	As at 31st March, 2021	As at 31st March, 2020
2.14 Other Equity		
General Reserves		
Opening Balance	340,72,589	320,72,589
Add :- Amount Transferred from Surplus	20,00,000	20,00,000
Closing Balance	<u>360,72,589</u>	<u>340,72,589</u>
Retained Earnings		
Opening Balance	1230,50,455	1204,57,636
Add:-Profit for the year	192,71,306	67,61,791
Other Comprehensive Income/ (expense) arising from re-measurement of Defined Benefit Obligation	<u>(6,92,406)</u>	<u>(10,83,974)</u>
Amount available for appropriation	<u>1416,29,355</u>	<u>1261,35,453</u>
Less:- Appropriation		
-Dividend on Equity Shares	9,00,000	9,00,000
-Tax on dividend	-	1,84,998
-Transfer to General Reserve	<u>20,00,000</u>	<u>20,00,000</u>
Closing Balance	<u>1387,29,355</u>	<u>1230,50,455</u>
Total Other Equity	<u>1748,01,944</u>	<u>1571,23,044</u>
2.14.1	The Board of Directors have proposed an equity dividend of Rs. 50/- (PY Rs.40/-) per share for the financial year ending 31.03.2021 at their meeting held on 11th June 2021, which is subject to approval by the share holders in the ensuing Annual General Meeting. In accordance with IND-AS, dividends to Shareholders are recognised as a liability in the period in which the obligation to pay is established. Total Proposed Dividend Rs.11,25,000/-	
2.15 Financial Liabilities (Long-term borrowings)		
Secured		
Term Loans from Banks	-	8,97,466
	<u>-</u>	<u>8,97,466</u>

## 2.15.1 Terms and other Details pertaining to Long Term Borrowings

Int %	Other Terms	Maturity	As at 31st March, 2021	As at 31st March, 2020
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 66,291/-	August, 2021	-	3,24,127
9.00%	Against Hypothecation of Vehicle Financed ; Equated Monthly Instalment Rs. 84,450/-	October, 2021	-	5,73,339

2.15.2 Amounts pertaining to Long Term Borrowings, due for repayment over the next 12 months have been shown under "Current Maturities of Long Term Debt"



## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

	<i>(Amount in Rupees)</i>	
	As at 31st March, 2021	As at 31st March, 2020
2.16 Long Term Provisions		
Provision for employee benefits [Refer Note 2.36]		
- Compensated Absences	26,06,344	24,84,665
- Gratuity	46,38,052	40,14,315
Total	<u>72,44,396</u>	<u>64,98,980</u>
2.17 Deferred Tax Liabilities-(Net)		
A. Deferred Tax Liability		
-On excess of net book value over Income tax written down value of Property, Plant & Equipment	56,46,700	93,09,700
B. Deferred Tax Assets		
- On Provisions	(12,86,600)	(33,800)
- On other disallowances	(2,23,700)	(6,81,900)
Deferred Tax Liabilities (Net) (A-B)	<u>41,36,400</u>	<u>85,94,000</u>
2.17.1 Reconciliation of Deferred Tax Liabilities (Net)		
Opening Balance	85,94,000	96,49,400
Tax (income)/expense during the year recognised in profit or loss for current year	(44,57,600)	(10,55,400)
Closing Balance	<u>41,36,400</u>	<u>85,94,000</u>
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.		
2.18 Financial Liabilities (Short-term borrowings)		
Working capital loan from Bank - Secured	-	1,880
	<u>-</u>	<u>1,880</u>
2.18.1 Working Capital Loan is secured by lien on Bank Deposits. It bears an interest rate of 6.50% p.a. and is repayable on demand.		
2.19 Financial Liabilities (Trade Payables)		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	131,36,087	132,26,032
	<u>131,36,087</u>	<u>132,26,032</u>
2.19.1 Trade Payables are non-interest bearing and are normally settled on 30-60 day terms. For explanations on the Company's credit risk management processes, Refer Note No. 2.39		
2.19.2 The Company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. The details of suppliers falling under the said Act are furnished to the extent the information is available. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.		

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

	<i>(Amount in Rupees)</i>	
	As at 31st March, 2021	As at 31st March, 2020
2.19.3 Detailed Disclosure under MSMED Act		
(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	-	-
(ii) Interest due on above.	-	-
Total of (i) & (ii)	-	-
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
(iv) Amount paid to the suppliers beyond the respective due date.	-	-
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
2.20 Other Current Financial Liabilities		
Deposits against Gas Cylinders	537,21,649	487,56,235
Current maturities of long term borrowings	8,97,466	27,78,208
Unclaimed Dividend *	1,31,468	1,07,138
Deposits	77,000	77,000
	<u>548,27,583</u>	<u>517,18,581</u>
* No amount is due for payment to Investor Education and Protection Fund.		
2.21 Other Current Liabilities		
-Statutory Dues	17,22,569	12,42,750
-Payable to Employees (Bonus)	42,51,192	48,10,893
-Advance from Customers	5,08,332	6,57,599
-Others	2,72,861	2,47,557
	<u>67,54,955</u>	<u>69,58,799</u>
2.22 Short-term Provisions		
a) Provision for employee benefits [Refer Note 2.36]		
- Gratuity	-	-
- Compensated absences	5,03,811	3,60,222
b) Provision for Income Tax	24,00,000	-
	<u>29,03,811</u>	<u>3,60,222</u>

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>2.23 Revenue From Operations (Net of GST)</b>		
Sale of Products		
Gross Sales (Manufactured)	2533,83,503	2641,20,594
Gross Sales (Traded)	36,90,000	-
Other operating Revenue		
Cylinder handling and maintenance charges	253,19,839	240,05,920
Freight charges recovery	220,45,370	108,53,344
Penalty for delayed return of cylinders	50,79,860	35,00,863
<b>Total</b>	<b>3095,18,573</b>	<b>3024,80,720</b>
<b>2.23.1 Details of Sale of Products (Disaggregation of Revenue) (Net of GST)</b>		
Manufactured goods		
Oxygen	532,81,249	646,03,698
Dissolved Acetylene	94,26,292	129,11,961
Liquid Nitrogen	25,85,195	26,46,837
Nitrogen	110,08,281	165,01,503
Liquid Oxygen	266,01,168	214,69,096
Medical Oxygen	931,02,092	716,39,883
Compressed Air	2,40,503	2,85,411
Carbon Dioxide	35,70,284	49,89,066
Argon	109,44,111	181,69,924
Nitrous Oxide	380,53,994	449,39,741
Hydrogen	1,30,979	3,92,535
ACM	18,89,103	30,58,277
AHM	2,50,320	1,96,630
AOM	-	1,750
Helium	4,11,562	3,82,375
Lime Sludge	42,300	71,529
Other Items	18,46,071	18,60,377
	<b>2533,83,503</b>	<b>2641,20,594</b>
Traded Goods		
Calcium Carbide	36,90,000	-
<b>Total</b>	<b>2570,73,503</b>	<b>2641,20,594</b>
<b>2.24 Other Income</b>		
Interest	35,23,905	30,92,663
Gain on Foreign Exchange Fluctuation (net)	48,076	19,371
Profit/ (Loss) on sale of PPE (net)	(2,09,551)	8,44,307
Rental Income from Residential Flat	1,22,000	-
Misc credit balances w/back	-	37,343
Miscellaneous Income	1,50,137	2,358
<b>Total</b>	<b>36,34,567</b>	<b>39,96,043</b>
<b>2.25 Cost of Materials consumed</b>		
Opening Stock	38,40,572	17,62,008
Purchases	855,95,349	968,53,851
	<b>894,35,921</b>	<b>986,15,859</b>
Less: Closing Stock	22,29,847	38,40,572
<b>Cost of Materials consumed</b>	<b>872,06,074</b>	<b>947,75,287</b>
Imported Materials consumed included in the above figure	35,19,923	32,56,750

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
2.25.1 Details of major raw material and components consumed		
Liquid Oxygen	546,86,928	477,93,102
Calcium Carbide	16,60,470	48,03,005
Ammonium Nitrate	256,68,737	312,38,032
Argon	49,57,876	104,53,907
Others	2,32,064	4,87,240
	<u>872,06,074</u>	<u>947,75,287</u>
2.26 Purchase of Traded goods		
Oxygen	2,94,000	3,65,400
Liquid oxygen	166,32,788	102,50,244
Dissolved Acetylene	53,40,470	44,36,984
Helium	2,70,563	4,08,863
Nitrogen & Dry Nitrogen	15,12,367	5,96,063
Liquid Nitrogen	85,108	3,61,968
Mixture Gas	-	38,302
Medical Oxygen	62,479	24,190
Argon	19,54,965	16,25,713
Carbon Di-Oxide	12,47,730	23,52,753
Hydrogen	75,870	1,81,062
ACM/AHM	3,16,911	2,45,196
Compressed Air/cylinder	2,73,940	1,34,140
Others	36,58,786	1,86,296
	<u>317,25,978</u>	<u>212,07,173</u>
2.27 (Increase)/Decrease in Inventories of finished goods, work in progress and stock in trade		
Opening Stock	20,46,856	18,82,921
Closing Stock of finished goods	20,95,492	20,46,856
(Increase)/Decrease	<u>(48,636)</u>	<u>(1,63,935)</u>
2.27.1 Detail of Opening Stock of finished goods		
Oxygen	4,24,647	4,61,200
Dissolved Acetylene	3,37,952	3,27,443
Nitrogen	1,76,964	1,18,088
Argon	1,66,952	1,54,834
Nitrous Oxide	6,39,161	6,65,461
Others	3,01,180	1,55,896
Total	<u>20,46,856</u>	<u>18,82,921</u>
2.27.2 Detail of Closing Stock of finished goods		
Oxygen	3,95,670	4,24,647
Dissolved Acetylene	3,19,710	3,37,952
Nitrogen	1,64,312	1,76,964
Argon	1,82,348	1,66,952
Nitrous Oxide	7,01,903	6,39,161
Others	3,31,549	3,01,180
Total	<u>20,95,492</u>	<u>20,46,856</u>

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Profit and Loss Account for the year ended 31st March, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
2.28 Employee Benefits Expense		
Salaries & Wages	593,53,769	586,10,498
Contributions to Provident and other funds	42,09,633	44,22,379
Workmen and Staff Welfare Expenses	38,94,134	38,61,150
	<u>674,57,537</u>	<u>668,94,027</u>
2.29 Finance Cost		
Interest expense	2,01,320	5,87,235
	<u>2,01,320</u>	<u>5,87,235</u>
2.30 Other Expenses		
Power, Fuel & Water	401,73,779	455,32,500
Consumption of Stores, Spares & Consumables	33,56,876	41,76,465
Rent	33,34,375	32,91,539
Repairs and Maintenance		
a) Buildings	9,98,893	23,53,533
b) Plant & Machinery	35,28,004	25,41,608
c) Vehicles (including vehicle running expenses)	165,54,803	165,17,133
d) Others	27,82,363	25,17,307
Insurance	6,57,400	7,48,786
Rates & Taxes	17,82,578	17,18,939
Traveling Expenses	9,94,641	44,51,033
Donations	1,03,501	1,88,051
Printing, Stationery, Postage & Telephone	16,38,985	15,30,098
Auditors Remuneration- (see note below)	4,72,000	4,72,000
Advertisement	9,79,656	10,36,768
Legal & Other Professional charges	20,33,835	19,46,319
Security Charges	34,97,796	35,69,855
Bank charges	84,063	1,02,655
Directors' sitting fees	54,000	60,000
Freight & Carriage (Net)	9,29,016	18,79,139
Bad debts written off	1,59,329	5,25,236
Provision for Doubtful Debts	24,02,610	4,20,907
Prior Period Expenses (Net)	-	27,730
Miscellaneous expenses	13,44,379	19,35,170
	<u>878,62,881</u>	<u>975,42,771</u>
Note 2.30.1		
Auditor's Remuneration:-		
a. Statutory Audit fees	3,83,500	3,83,500
b. Tax matters - (including tax audit)	88,500	88,500
	<u>4,72,000</u>	<u>4,72,000</u>

## THE SOUTHERN GAS LIMITED

2 Notes forming part of financial statements as at 31st March, 2021

	(Amount in Rupees)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
2.31 Earnings per share		
Total Comprehensive Income for the period	185,78,900	56,77,817
Weighted average number of Equity shares of Rs.100 each	22,500	22,500
Earnings per Share (Basic & Diluted)	825.73	252.35

## 2.32 In the opinion of the Directors

- a) Current Assets, Loans and Advances have at least the values at which they are stated in the Balance Sheet, when realized in the ordinary course of business.
- b) All known liabilities other than contingent liabilities are provided for.

- c) The company has an internal control system which is adequate considering the size and operation of the company. The operations and activities of the company is supervised by the directors and senior management on a day-to-day basis. The executives of the company are involved in the approval and processing of payments and also in the year-end financial reporting process.

In view of the above, we have implemented an information systems consisting of off-the-shelf packaged software which are extensively used with very high level of acceptance in the industry without much customization and modification. The identification of risks and controls is not a separate evaluation but an integral part of the processes and procedures followed by the company which includes internal audit being carried out by an external professional firm on a periodical basis.

The operation of the above controls are constantly monitored by the senior management including directors and these were found to be effectively operating during the year and at the year end.

## 2.33 Contingent liabilities not provided for:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(1) Claims against the Company not acknowledged as debts:		
a. Income Tax (See Note 2.33.2(i))	1,01,320	1,01,320
b. Goods and Service Tax (See Note 2.33.2.(ii))	10,10,466	10,10,466
(2) Guarantees issued by the bank on behalf of the Company	29,20,753	30,34,238

2.33.2(i) The Income Tax department has issued an order for the AY 2014-15 under section 143 (2) by disallowing additional depreciation claimed under sec 32(1)(iia) of the Income Tax Act, 1961. The company has filed an appeal before the Commissioner of Income Tax, Kochi. In the opinion of the management, no provision is considered necessary for the same at this stage. The amount has been adjusted by the Income Tax Department under Protest.

2.33.2(ii) The Assistant Commissioner, Central Tax - Aluva division has issued a show cause notice for non payment of interest as per section 50 of the CGST Act, 2017 on delayed payment of GST for FY 2017-18. The Company has responded with letters explaining that the delay in payment was attributable to a technical lag on the GST portal which took several months to get resolved. In view of the technical lag, login to the portal was blocked and payments could not be made. The Company has made a plea that the interest be written off. The management reckons that since the delay was attributable to the Department, no provision is considered necessary.

## 2.34 Estimated amount of contracts remaining to be executed on capital account- Rs. 1,00,00,000 (PY Rs. Nil)

## 2.35 The aggregate managerial remuneration under section 197 of the Companies Act, 2013, to the directors (including managing director) is as follows:

Managing Director:		
Salary & Allowances	60,00,000	60,00,000
Contribution to PF	21,600	21,600
Total Remuneration	60,21,600	60,21,600

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

(Amount in Rupees)

## Note 2.36

Disclosures required under IND AS 19

## A) Defined Contribution Plans

During the year, following amounts have been recognised in the profit and loss statement on account of defined contribution plans:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Employer's contribution to Provident Fund	26,97,987	29,54,206
Employer's contribution to Employee's State Insurance	4,66,729	6,11,497

B) Defined Benefit Plans - Gratuity (Funded) & Long term Employee Benefits - Compensated absences  
Unfunded obligation

i	Actuarial Assumptions	Gratuity		Compensated Absences	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Discount Rate (per annum)	6.90%	6.70%	6.80%	6.60%
	Salary escalation rate*	5.00%	5.00%	5.00%	5.00%
	Expected return on planned assets	6.70%	6.70%	-	-
	Mortality rate	Indian Assured Lives Mortality [2012-14] Ultimate		Indian Assured Lives Mortality [2012-14] Ultimate	
	Attrition rate	5.00%	1.00%	Modified q(x) values under above Mortality Table	

\* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii	Reconciliation of present value of obligations	Gratuity		Compensated Absences	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	-Present value of obligation at beginning of the year	115,72,382	118,92,492	28,44,887	26,14,193
	-Current Service Cost	7,73,131	6,97,795	12,73,678	11,98,182
	-Interest Cost	7,79,077	8,65,176	2,28,589	2,38,338
	-Actuarial (gain)/ loss	6,92,406	10,83,974	1,08,085	(2,00,733)
	-Benefits Paid	(11,47,681)	(29,67,055)	(13,45,084)	(10,05,093)
	Present value of obligation at the end of the year	126,69,315	115,72,382	31,10,155	28,44,887
iii	Reconciliation of fair value of plan assets- Gratuity			As at 31st March, 2021	As at 31st March, 2020
	Fair value of plan assets at the beginning of the year			75,58,067	88,65,644
	-Expected return on plan assets			5,62,876	8,45,510
	-Administration Expenses			(34,653)	(8,368)
	-Actual Return on Plan Assets over expected Interest			(2,12,904)	(2,14,374)
	-Contributions to the fund			10,00,000	12,62,658
	Benefits paid from the fund			(8,42,123)	(31,93,003)
	Fair value of plan assets at the end of the year			80,31,263	75,58,067

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

(Amount in Rupees)

iv	Description of Plan Assets	As at 31st March, 2021	As at 31st March, 2020
	Insurer managed funds	80,31,263	75,58,067

v	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	As at 31st March, 2021	As at 31st March, 2020
	Present value of obligations at the end of the year	126,69,315	115,72,382
	Fair value of plan assets at end of the year	80,31,263	75,58,067
	Funded Status	(46,38,052)	(40,14,315)
	Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	46,38,052	40,14,315

vi	Expenses recognised in the Statement of Profit & Loss (including OCI)	Gratuity		Compensated Absences	
		As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Current Service Cost	7,73,131	6,97,795	12,73,678	11,98,182
	Administration Expenses	64,653	8,368	-	-
	Net Interest Cost	2,16,201	19,666	2,28,589	2,38,338
	Actuarial (gain) / loss recognised in the period	6,92,406	10,83,974	(1,08,085)	(2,00,733)
	Expenses recognised in the Statement of Profit & Loss (including OCI)	17,46,391	18,09,803	13,94,182	12,35,787

## vii Risk Analysis of Defined Benefit Obligations

Given the defined benefit nature of the plan, the Employer is exposed to a wide range of risks. Each of these risks, if materialised, can increase the cost of benefits by an amount more than expected. Such an unexpected increase in costs can have an adverse impact on the financial situation of the Employer.

Each actuarial assumption made in the measurement of the DBO is a source of risk. There are additional risks which can have an adverse impact on the plan, but are not allowed for in the measurement of the DBO, such as liquidity and counterparty default risks. Some of the most significant risks are listed below

1 Discount Rate

Variations in discount rate don't affect the level of benefits under the plan. However, it is still a very significant assumption as it does affect the discount due to time value of money. A fall in discount rate will increase the present value of the obligation.

2 Salary Increases

Since the plan benefits are linked to final salary, higher than expected salary increases will increase the cost of benefits under the plan. An increase in the salary escalation assumption will increase the present value of the obligation

3 Attrition Rates

Deviations in actual attrition experience compared to the attrition assumption will change the level of benefits and therefore the cost of those benefits. A change in the attrition assumption will also affect the present value of the obligation

4 Mortality

Deviations in actual mortality experience compared to the mortality assumption will change the level of benefits and affect the cost of those benefits. A change in the mortality assumption will affect the present value of the obligation.



## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

(Amount in Rupees)

5 Regulatory Risk

Since the minimum benefits under the plan are set by law, there is risk that a change in law could require the employer to pay higher benefits, increasing the cost as well as the present value of obligation.

## viii Sensitivity Analysis

Impact of:	Gratuity		Compensated Absences	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Discount rate up 1.0% absolute	(6,75,000)	(8,01,000)	(1,84,000)	(2,30,000)
Discount rate down 1.0% absolute	7,57,000	9,20,000	2,09,000	2,69,000
Salary escalation up 1.0% absolute	7,44,000	8,92,000	2,28,000	2,89,000
Salary escalation down 1.0% absolute	(6,72,000)	(7,84,000)	(2,04,000)	(2,50,000)
Attrition rates up 10.0% absolute	42,000	11,000	12,000	3,000
Attrition rates down 10.0% absolute	(44,000)	(11,000)	(12,000)	(4,000)

The results in the table above were calculated by varying one assumption at a time and re-calculating the present value of the obligation. All assumptions, other than the one being varied, were left unchanged from their base values.

## ix Maturity Profile

Impact of:	Gratuity	Compensated Absences
	As at 31st March, 2021	As at 31st March, 2021
Year 1	17,58,000	5,04,000
Year 2	15,23,000	3,01,000
Year 3	19,39,000	3,27,000
Year 4	11,70,000	1,96,000
Year 5	12,74,000	2,41,000
Years 6 - 10	63,55,000	18,37,000
Years 11 - 15	22,90,000	5,55,000
Year 15 +	42,24,000	13,87,000

The above disclosures are based on information certified by an independent actuary and relied upon by the auditors.

## THE SOUTHERN GAS LIMITED

2 Notes forming part of financial statements as at 31st March, 2021

(Amount in Rupees)

## 2.37 Disclosure of transactions with related parties:

## A. Related parties and nature of relationship

## i Key Management Personnel

1. Gautam V. Pai Kakode	-Managing Director
2. Yogita G Pai Kakode	-Director
3. Sripad P. Patnekar	-Independent Director
4. Motilal S Keny	-Non Executive Director
5. Anbunathan Murugain	-Additional Director (Independent)
6. Purushottam Mantri	-Independent Director
7. Rajeev Nagarsenkar	-Chief Financial Officer (upto 30/09/2019)
8. Gaurish Arolkar	-Company Secretary (upto 18/01/2020)
9. Shashidhar Haridas	-Chief Financial Officer
	- Compliance Officer (upto 30/06/2020)
10. Hasmukh Prajapati	-Whole time Company Secretary (w.e.f.01/07/2020)

## ii Enterprises over which persons in (i) above are able to exercise significant influence:

1. Foods & Beverages (India) Pvt.Ltd	-Enterprises where significant influence exists
2. Govind Poy Raiturcar Trust	
3. Madhav Gopal Poy Raiturcar Foundation	
4. Bangalore Oxygen Company(P) Ltd	
5. Malabar Oxygen Company(P) Ltd	

## B. Description of Transactions

Nature of transaction	Key Management Personnel		Relatives of Key Management Personnel		-Enterprises where significant influence exists	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Purchase of goods</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	3,80,828	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	43,78,593	64,91,907
<b>Sale of goods</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	34,53,129	67,10,301
Bangalore Oxygen Company(P) Ltd	-	-	-	-	36,90,000	3,40,030
<b>Payment of Freight/other expenses</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	3,28,657	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	67,825	4,02,344
<b>Purchase of Fixed Assets</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	6,60,000	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	-	-
<b>Penalty Charges for delayed return of Cylinders</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	-	-
Bangalore Oxygen Company(P) Ltd	-	-	-	-	2,87,769	-
<b>Receipt of Freight/other receipts</b>						
Malabar Oxygen Company(P) Ltd	-	-	-	-	3,68,902	4,698
Bangalore Oxygen Company(P) Ltd	-	-	-	-	62,500	84,900

## THE SOUTHERN GAS LIMITED

2 Notes forming part of financial statements as at 31st March, 2021

(Amount in Rupees)

Remuneration/ Sitting Fees						
Gautam V. Pai Kakode	60,21,600	60,21,600				
Yogita G Pai Kakode	12,000	12,000				
Sripad P. Patnekar	12,000	12,000				
Motilal S Keny	12,000	12,000				
Anbunathan Murugain	6,000	12,000				
Purushottam Mantri	12,000	12,000				
Rajeev Nagarsenkar	-	2,90,492				
Gourish R. Arolkar	-	2,49,111				
Hasmukh Prajapati	2,88,993	-				
Shashidhar Haridas	7,21,958	2,93,797				
Payment of rent						
Gautam V. Pai Kakode	9,15,750	6,36,000				
Yogita G Pai Kakode	11,44,200	15,96,000	-	-		-
Donation (Madhav Gopal Poy Foundation Trust)	-	-	-	1,75,000	-	-

## C. Outstanding balance as on 31.3.2021

	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where significant influence exists	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020
Receivables	Nil	Nil	Nil	Nil	Nil	Nil
Payables	Nil	Nil	Nil	Nil	Nil	Nil
Security Deposits	Nil	20,00,000	Nil	Nil	19,47,000	Nil

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

*(Amount in Rupees)*

## 2.38 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

## 2.39 Financial Risk Management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

## 2.39.1 Market Risk

The Company's activities does not expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

## 2.39.2 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

## 2.39.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	As at 31st March, 2021	As at 31st March, 2020
(i) Less than 1 year		
Short Term Borrowings	-	1,880
Trade Payables	131,36,087	132,26,032
Other Financial Liabilities	548,27,583	517,18,581
	<u>679,63,670</u>	<u>649,46,493</u>
(ii) 1 to 5 years		
Long Term Borrowings	-	8,97,466
	<u>-</u>	<u>8,97,466</u>
(iii) > 5 years	-	-

Note : Deposits taken from Customers against Cylinders has been shown as "current" liability since the Company does not have an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period, in compliance with Schedule III and Ind AS. However, practically, the company expects not more than 4% - 5% of deposits to fall due for repayment in the short term.

## Fair Value Hierarchy

Level 1 : Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

*(Amount in Rupees)*

	As at 31st March, 2021	As at 31st March, 2020
2.39.4 Financing Facilities		
Credit Facility secured against Deposits, Payable on demand		
Amount Used	-	1,880
Amount unused	100,00,000	99,98,120
	<u>100,00,000</u>	<u>100,00,000</u>
2.40 Categories of financial instruments		
Financial Assets		
Measured at Amortised Cost		
a) Cash & Cash Equivalents	331,40,709	142,22,234
b) Bank Balances other than (a) above	443,43,128	414,97,062
c) Trade Receivables	467,83,334	500,65,420
d) Loans and Advances	141,52,682	120,41,789
e) Other Financial Assets at amortised cost	93,526	3,99,828
	<u>1385,13,379</u>	<u>1182,26,333</u>
Financial Liabilities		
a) Borrowings	-	8,99,346
b) Trade Payables	131,36,087	132,26,032
c) Other Financial Liabilities at amortised cost	548,27,583	517,18,581
	<u>679,63,670</u>	<u>658,43,959</u>
<p>The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, deposits with banks and trade payables approximate their carrying amounts largely due to the short-term nature of these instruments.</p>		
2.41 Reconciliation of Income Tax Expense		
Particulars		
Accounting Profit / (Loss) before Tax	238,60,937	91,51,639
Other Comprehensive Income/ (Loss)	(6,92,406)	(10,83,974)
Total Comprehensive Income	231,68,531	80,67,665
Tax Rate	25.168%	25.168%
Tax as per Accounting Profit	58,31,056	20,30,470
<u>Tax Effect on :</u>		
(i) Disallowed Expenditure	6,96,066	3,45,809
(ii) Expenditure allowed on payment basis	2,23,745	3,06,587
(iii) Depreciation allowable as per Income Tax Act, 1961 (net)	12,40,437	9,55,146
(iv) Accounting Profits/ Losses not liable to Tax	52,740	(2,12,495)
(v) Others	1,73,293	(7,237)
Financial Cost on delayed payments	3,12,878	56,720
Current Tax	<u>85,30,215</u>	<u>34,75,000</u>
Earlier years	<u>5,17,016</u>	<u>(29,752)</u>
	<u>90,47,231</u>	<u>34,45,248</u>

## THE SOUTHERN GAS LIMITED

## 2 Notes forming part of Financials

## 2.42 Impact of Covid-19

The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

The Company is in the business of producing Medical and Industrial Gases, both of which account for approximately half of the Revenue from Operations. As such, The Company's business falls under essential services. Accordingly, the Company has continued its operations during the lockdown period as well with certain restrictions on timing and number of people for operations. However, The Company expects that there will be a significant reduction in Turnover, and consequential reduction in Profitability, particularly in case of Industrial Gases, as a Domino effect of the overall slowdown resulted by the pandemic.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, trade receivables and other Advances recoverable in Cash or kind. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Hence, the management believes that there is no significant impact of COVID -19 on the financial statements of the Company for the year ended March 31, 2021. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## 2.43 Resignation of Chief Financial Officer

Pursuant to his resignation, Mr. Shashidhar Haridas - Chief Financial Officer of the Company, was relieved from the service of the Company effective 31st March, 2021. The Company is in the process of appointing a new Chief Financial Officer, for which the Companies Act, 2013, affords six months from date of vacancy.

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As per our report of even date attached

For and on behalf of the Board of Directors

For M/s Lorence & Shankar  
Chartered Accountants  
FRN No. 112761W

Gautam V. Pai Kakode  
Managing Director  
DIN :02395512

M.S. Keny  
Director  
DIN :06813111

CA. Lorence J. Malekar  
Partner  
M. No. 024751  
Place: Margao, Goa

Hasmukh Prajapati  
Company Secretary  
M. No. 48018

Place: Margao, Goa  
Date: 11/06/2021

Place: Margao, Goa  
Date: 11/06/2021

# You Name it And We Have it

1.



**OXYGEN I.P.**  
**NITROGEN**  
**ARGON**  
**HELIUM**  
**HYDROGEN**  
**CARBON DIOXIDE**  
**NITROUS OXIDE**  
**GAS MIXTURES**  
**INDUSTRIAL OXYGEN**  
**LIQUID OXYGEN**  
**RARE GASES**  
**DISSOLVED ACETYLENE**

## The Southern Gas Ltd. Branches

### **BANGALORE**

10-F, Peenya Indl. Area, II Phase, Peenya  
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28392325 Fax No. 080-23721456  
E-mail : sglbng@southerngasindia.com

### **BHADRAVATI**

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Bhadravati-557 302.  
Tel No. 08282-270561 Fax No. 08282 270397  
R-mail : sglbdvt@southerngasindia.com

### **CALICUT**

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Kerala State, Tel No. 0495-2482311  
Fax No. 0495-2905224  
E-mail : sglclt@southerngasindia.com

### **COCHIN**

Udyogamandal P.O. 683 501  
Kerala State Tel No. 0484-2546895  
2545971 / 6457798 Fax No. 0484-2545972  
E-mail : sgludl@southerngasindia.com

### **HUBLI**

Plot No. 274/1, Ne xt to Dur gadevi Temple  
Tarihal Road, Post Gokul B.O. HUBLI - 580 030  
Tel No. 0836-2310554 Fax No. 0836-2310554  
E-mail : sglhbl@southerngasindia.com

### **HARIHAR**

Plot No. C-2 (Special Type) Industrial Estate  
Opp. The Mysore Kirloskar Ltd. Yantrapur  
Post Harihar - 577 602 Tel No, 08192-241656  
E-mail : sglhrhr@sotherngasindia.com  
Fax No. 08192-241656

### **MYSORE**

Plot No. 293, Sy. No. 369, Hebbal Indl. Area  
Village Hebbai Hobli, Kasaba Taluk  
Mysore - 570 016.  
Tel No. 0832-2403680, 2402164, 2403681  
E-mail : sglmysore@southerngasindia.com  
Fax No. 0821 - 2403680

### **TRIVANDRUM**

Plot No. 42, Kinfra Small Industries P ark  
St. Xavier's College, Thumba  
Trivandrum - 695 586  
Tel No. 0471-2705511 Fax No. 0471 - 2705738  
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## THE SOUTHERN GAS LIMITED.

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